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HOUSE OF COMMONS

Monday, May 15, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH INSURANCE AND SERVICES

Ms. Margaret Bridgman (Surrey North, Ref.) moved:

That, in the opinion of this House, the government should consider allowing the provinces greater flexibility in the provision of health insurance and services.

She said: Mr. Speaker, the request in my motion is simple. The Reform Party, like all Canadians, Canadian political parties, Canadians working in health care and a multitude of other Canadians, including the provincial premiers, recognizes the provinces have been delegated legal and constitutional responsibility to provide health insurance and services in Canada.

As the provision of health services and insurance has been delegated to the provinces, I am asking they be given the authority to achieve it or to carry it out.

The actual delegating of this task is not the hard part. The giving up of the authority over the actual control of how the task is carried out is the hard part. Unless the delegator, the federal government, is willing and able to devise the plan, update it as necessary and authorize each aspect of it prior to its implementation, in which case this is not feasible, the delegator must be prepared to delegate out some authority and in order to achieve what they want they identify what is to be achieved by the provinces, what components or principles are to be included and what standards of performance are expected. Then they give the authority necessary for the provinces to achieve this.

As a national government we can legislate these guidelines, standards or principles, or both, or whatever else we should call them. We have done this via the Canada Health Act. We have established five fundamental principles to be incorporated by each province in its approach to providing health insurance and services. The principles are accessibility, comprehensiveness, portability, public administration and universality.

The Reform Party believes these are sound national principles. The problem is not the principles themselves but the accompanying description or definition applied to each of them. For example, in the act the definition or interpretation of accessibility includes only one aspect of what access to care can actually mean, based on a person's ability to pay. That is commendable, as it opens the door for all Canadians regardless of their personal financial position to receive or have access to health care.

• (1110)

However, another aspect of access is when does one have the access to the actual treatment necessary for the condition one is presenting. I am thinking now in relation to the when part from a clinical or medical point of view. If a person requires a hip replacement, for example, or finds a lump on their body in some area it should not be, to get access to treatment can take sometimes weeks or months. Access to treatment from a medical and clinical aspect is extremely important, sort of the stitch in time premise.

Early intervention in many situations saves future grief and discomfort for the individual as well as saving health care dollars in the long run, as one is addressing or presenting a condition much earlier than one would be by leaving it for months or weeks and so on.

There are other problems with the Canada Health Act. There are restrictive clauses that create these problems. Portability comes to mind as another one.

These problems must be addressed and resolved. The act needs revising and updating, allowing for more flexibility for the provinces not only in the administration and management of the service but also in the actual meaning or interpretation of the five principles. The meaning of decentralization of authority must play a much larger role in our health care system to preserve it.

In the *Financial Post* on April 22 of this year an article was written by Alan Toulin entitled "Decentralization Appeals to Canadians' Desire for Control". Alan Toulin is saying Canadians want more control over the things that directly affect their lives, and governments at all levels are feeling the pressure of this growing public sentiment.

He also quotes a leading business figure from Quebec, André Bérard, the National Bank chairman and chief executive officer.

Mr. Bérard apparently delivered a speech in Ottawa on how the process of decentralization is an inescapable force for both businesses and governments at all levels.

Mr. Toulin makes reference that Mr. Bérard argues that those levels of government responsible for the spending of the money are the ones who should decide how health care, education and income security should be organized:

> Citizens are more vigilant and can have more direct control over the actions of provincial and local governments when it comes to the spending decisions on behalf of the public interest, Mr. Bérard believes. In a country as large and diverse as Canada it is clear that many citizens feel Ottawa is a remote, lumbering government that cannot be controlled by them.
>
> "The nearer the level of government is to the citizens, the more merciless these citizens are when they see public waste. They know that they are the ones who will ultimately pay. They are merciless because they know that they will have real power; that their voice will be heard; that their vote will not be diluted by millions of others", Bérard said.

He goes on further to sing the praises of decentralization.

That is basically what we are saying in this motion. There needs to be more flexibility. That kind of authority can go to the provinces and they can get on with providing health care according to the five major principles. Then they will be evaluated by the people in the province.

• (1115)

Another component in the health care system that needs some serious revamping is funding. The initial agreement between the federal government and the provincial governments was a 50:50 split. Over the years that has eroded. We have a system of tax points and cash payments known as established program financing. Because the tax points grow over time as the economy grows, the cash portion of EPF is shrinking. It is down to 23 per cent now from 50 per cent.

Established program funding was introduced in 1977, replacing the cost sharing of post–secondary education and health care with a fixed per capita block funding transfer. That was the first time federal funding growth was unrelated to provincial program costs. It was designed to increase the rate of growth in population and in the national economy.

Over the years further amendments were brought into the EPF system. In 1986, Bill C–96 reduced the growth of the EPF transfer. The payments were still tied to economic and demographic growth but their annual per capita growth rate was 2 per cent lower than what it would have been under the old formula.

In 1991, Bill C–69 froze the EPF transfers at their 1989 levels. That was to be applicable for two years. In 1991 Bill C–20 extended the freeze on the per capita transfers to provinces for another three years. Therefore the provincial entitlements will continue to increase at the same rate as the population.

Beginning in 1995–96 the rate of increase of the EPF entitlements will be limited to per capita rates of increase in the GNP minus 3 per cent. We continue to play little games in the funding component of our health system.

Instead of just health and post–secondary education in the block transfers, government has added welfare into the block. From an article on April 13 in the *Globe and Mail* entitled "Ottawa is trying to heal health–care strife", by Edward Greenspon, he says:

> Part of the logic of lumping the three programs into a single fund was to allow Ottawa to blur their minds of where cuts fell and to pass to the provinces the hot potato of how to distribute the pain.

Further along in the same article, he goes on to say:

> Figures in the budget show that Ottawa will, in fact, reduce its cash transfers over the next three years to $10.3 billion from $17 billion, a rollback of almost 40 per cent. And the government has given no assurances of when it will end.

Federal funding in support of health insurance and services should be unconditional and should recognize different levels of economic development in the provinces.

The federal government has established five fundamental principles via the Health Care Act. It needs to be looked at from the point of view of interpretation. It is a little ambiguous in that the government can interpret it one way and the provinces can see a different interpretation. We also need to look at whether we actually need the cash component of the EPF as a whip to keep the provinces in line. Is that really necessary?

In the article to which I made reference, I beg the question whether it is actually necessary to have that kind of control over the provinces. If one decentralizes it into the provincial area, the people will rise up and say what they want. If they are not happy with what they are getting, especially if they have the five guiding principles from the national government to make some sort of evaluation judgment, they will rise up and tell their government to spend their health care dollars with less waste or they can vote the government out and get one which will provide the services.

• (1120)

Put the control there. Let the provinces establish the methods of providing health care according to the five basic principles, and define them a little better so they are not ambiguous interpretations, and let the people judge whether they are satisfied.

In the Ottawa *Citizen* on May 1 an article entitled, "Time for a tonic" stated: "The provinces—are demanding more leeway in controlling their costs. And increasingly, provincial cost–cut-

ting measures are running afoul of the federal government's reading of the Canada Health Act".

To my mind the word "leeway" in that article is very suggestive of flexibility. The provinces are asking for flexibility. The article also makes reference to the government's reading of the act. That could be interpreted as suggesting different methods of interpreting how one can read the act; the federal government reads it one way and the provinces may read it another way. That again points to the need for revision of the act, allowing for broader and more flexible definitions. At the same time the need for using the cash payment as the whip should be addressed.

The government must do something concrete and substantial. It must take some positive action to preserve the health care system for Canadians. It has been stated it is a priority of the government by both the Prime Minister and the health minister. However, when we consider the financial threats which our health care system is facing and the lack of action by the government to diminish those threats we wonder what kind of a priority it is.

The most apparent action to date has been on a reactive or defensive basis. With respect to the user fee situation in British Columbia and the private clinic situation in Alberta, the government's action was based on its interpretation of the ambiguous accessibility clause of the health care act That has to be addressed. So far that is the most assertive or aggressive type of behaviour we have seen from the government in relation to health and it has been in a defensive mode.

Other actions taken by the government tend to leave us confused and without a sense of direction. It campaigned in 1993 on no cuts to health care. During its first year in office it continued to say that it would protect the health care funding to Canadians. However, earlier this year we started hearing things like "cuts to social programs, including medicare. We have to address all social programs. If they are all going to be cut, then health care will be rolled in there with them".

We also heard the system needs to be reformed, that there are problems with the health act and those problems must be addressed. We also heard from various ministers the provinces should be given more flexibility to manage their affairs.

• (1125)

Block funding was set up, including the three components: health, post–secondary education and welfare. This is being sold, to my mind, as an opportunity for provinces to have more flexibility but in a sort of backhanded way. They are given less money and then told they have three components where they can be flexible applying that money.

That is not what we are saying in our flexibility plan. It is what the government is trying to sell when it says that flexibility must be given to the provinces. I think it was Ted Byfield who said we have inflexible flexibility, which is basically what we are looking at here.

Reformers believe that the provinces are fully capable of providing quality health care to their residents as long as they are allowed the stable funding to do so. They need the resources. A workman is only as good as the tools he has.

The leader of the Reform Party said it best in Toronto last November to the Ontario Hospital Association. I would like to quote him. "It is the provinces, not the federal government, that have the constitutional jurisdiction to operate on our health care system. It is the provinces, not the federal government, that provide the bulk of health care funding. And it is the provinces, not the federal government, that have the greatest experience in health care delivery".

I suggest a prescription. If the decision is to devolve health care to the provinces what does this mean in a detailed type of prescription? I would like to make three suggestions: first, transfer tax room to the provinces; second, define core health services; and third, amend the Canada Health Act with those things in place on a national basis. The provinces would have the guidelines and authority to get on and provide a health care program that we can not only afford but want as well.

The Reform Party taxpayer budget outlined how we could decentralize health care by ceding addition tax room to the provinces. This would ensure more stable funding for provincial health care over time. The provinces would not have to worry about what new legislation, steps or cuts the federal government would be making from year to year or the interpretation that each different government would make to the various components of the health act.

At the end of the process of the transferring tax room, provinces would present the revenue levels and flexibility necessary to fund health care according to the demands of the electorate and within fiscal restraints.

Decentralization of health care would ensure that services were delivered and funded by the level of government closest to the people. I made reference to that earlier.

From the point of view of defining—

The Acting Speaker (Mr. Kilger): The member's 20–minute period is up. I wonder if she might give us some indication of how much more time she might need to conclude her remarks, and I say this respectfully, as the mover of the motion. Will the member for Surrey North give us some indication whether she could summarize and close within the next minute or so? I am very reluctant to cut off anyone who moves a motion, but the rules are very clear that the mover has 20 minutes.

Ms. Bridgman: I will be about a minute, Mr. Speaker.

In conclusion, I proposed this motion because the federal government seems unwilling to address the fundamental problems facing health care in Canada: declining federal financing, combined with the lack of provincial manoeuvrability. The government has ruled out amending the Health Care Act and the minister has portrayed herself as a defender of it and thus medicare. This is not so and we must defend it.

• (1130)

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, it is my pleasure today to speak to the motion of the hon. member for Surrey North. I have worked with her on the standing committee on health and have great respect for her thoughtfulness.

The hon. member raised the issue of more flexibility for the provinces. The provinces already have flexibility. The provinces are responsible for managing the whole system of health care for people in their provinces. The flexibility depends on the needs of their people. The provinces decide where the services go, how they are done and by whom and the payment for people who deliver those services. They have all the flexibility they need within the parameters of the Canada Health Act and within the parameters of the five principles of medicare which the member has just agreed that she supports wholeheartedly.

The member said that she supports those five principles. Then in the next sentence she said that she disagreed with them because she does not like what they mean. How can one support the principles and then not like what they mean? It is inherent that a principle means something. I find that a little confusing.

Those five principles have helped our health care system to become one of the best systems in the world. If we want to judge the best systems in the world, we should judge them by the outcomes. Canada ranks second or third in the world depending on how we look at the outcomes of some of those services. Canada has one of the best health care systems in the world. That is not only in terms of mortality, how people live or die, but also the quality of their lives. This defines the kind of system we have. We stand tall in terms of our health care system.

The member talks about problems of accessibility. Accessibility has made our system what it is. Accessibility means that as Canadians we all have access to health care services when we need them, regardless of the size of our wallets. That is probably the single most important thing about our health care system that makes it unique. The size of a person's wallet does not dictate the kind of health care received or the kind of health care we have access to. The only thing that dictates the kind of health care received is the clinical symptoms, depending on whether it is needed, how urgently, and when and how much is needed at the time. A very appropriate way to deal with health care services is to define them according to clinical methods rather than pocketbooks.

The member also talked about problems of portability. The whole idea is that Canada is one country and this is a national system and Canadians move across borders daily, weekly and yearly. Our parents may live in one province, our children in another and our grandchildren in another. The fact that we can move across the country knowing that we have health care coverage when we get sick no matter where we are in the country is one of the most important strengths of the Canada Health Act and of medicare. To ask that portability be removed and try to balkanize medicare would do the country a great disservice. It would destroy the strength of the program.

The member also said there are decreases in funding of programs. Every reputable study done around the world tells us that money is not the major and only criteria for a good system of health care. If it were, the United States would have the best health care system in the world but it does not. At the moment Japan has the best health care system in the world according to outcomes and it spends the least amount of money on health care. Money is not the only criterion. There is also how and when the service is delivered.

Eventually we must look at issues like health promotion, prevention, the quality of life, poverty, and other things that define health care. Those are the things we need to look at, not costs. All of us know and all the studies tell us that we could spend a lot less money on our health care system. If we provided proper services and managed them appropriately we could have an even better health care system.

When we talk about accessibility and outcomes, let us look again at the United States where there are such poor outcomes. The United States spends the most of any country in the world in percentage of GDP on health care and it has the worst outcomes of any developed country. In fact, the United States sits among the developing countries somewhere between Cuba and Czechoslovakia in terms of its outcomes.

• (1135)

I do not understand what the member means when she talks about the fact that she disagrees with these issues because they are not borne out by fact nor by statistics.

The member is also concerned about the health and social transfer, the fact it has become one massive block fund and that it is a negative thing. This strengthens and interdigitates services that rely upon each other. We know poverty is one of the major determinants of health. It stands to reason that in a block transfer, social assistance should be lumped alongside and close to health. If we are going to concentrate on prevention then one of the issues we are going to have look at is the issue of poverty and how people should live in this country to give them a better health status.

Another thing the member says is that she wishes the Canada Health Act would recognize the different economic development of provinces. We do. It already does. When we look at transfer payments and equalization payments it is built in to

ensure that provinces which are not as wealthy as others have been brought up to a level at which they can provide these services.

I do not understand what the hon. member is concerned about when all of these things are already being addressed in the system of medicare and within the Canada Health Act.

Decentralizing, as the hon. member suggests, will give us less control and will completely decrease, diminish and eventually kill medicare.

The hon. member talked about evaluation. That is exactly what the Canada Health Act does. It evaluates the system to see whether or not it does follow the five principles of health care. Again, I am a little confused as I try to understand what the member wants when these things are already in existence. Perhaps the member is not familiar with what these things really mean.

The provinces are asking for more flexibility. The whole Canada health and social transfer has been made to give the provinces more flexibility. The provinces already have total and complete flexibility in how they deliver services.

For example, not one single principle or clause of the Canada Health Act prevents innovation and renewal of the health care system which is what we are talking about today when we talk about the health care system. It allows the greatest flexibility.

If we look at some of the other provinces like British Columbia, it is moving closer to home. New Brunswick has closed down hospitals and brought community care to the forefront. Ontario is looking at regionalization and is looking at how it can provide services in different ways.

Some provinces provide different providers to give care and other provinces do not. Who gives care, when they give care, where they give care, how they give care is completely under the jurisdiction of the provinces. Therefore, the hon. member perhaps needs to reconsider her motion and wonder if she is asking for things that are not already built into the system.

The strength of this system is that the provinces can manage a system and deliver the care. They are able to respond better in terms of practical availability to the needs of their own regions. Within each province there are differences between regions including the urban and rural regions whose needs are very different. Provinces have the ability to do all of that.

The only thing the federal government does is to enshrine the five principles within the Canada Health Act which says this is one country. We will all have certain principles that will ensure every Canadian has access to health care regardless of ability to pay and regardless of how chronically ill they are or what genetic illnesses they have. All of that does not make any difference to the quality of health care or their access to it.

In the United States it does happen. Those who have a chronic disease are uninsurable. No matter how wealthy they are, they cannot buy insurance. That does not happen in this country. The strength of this country is the fact that each province does what it does best in its own local way, providing good services for the community. At the same time the federal government ensures medicare, which is the heart and soul of what Canada is, is kept sacrosanct across the country so we can continue to have universal, accessible, portable, comprehensive and publicly administered health care.

If we listen to the member's motion, actually she does agree with the system the way it is.

• (1140)

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I welcome this opportunity to speak to the House for the next few minutes and comment on the motion presented by the hon. member for Surrey North. The motion seeks greater flexibility and thus greater autonomy for the provinces in the provision of health insurance.

For some time now, the Canadian health care system has been at the centre of a wideranging debate on its current, disturbing state, its uncertain future and indeed its very survival. There are many who maintain that our health care system has reached a critical point in is history. We on this side of the House deplore the fact that Canada's Department of Health is consciously absent from the debate, since we believe that the main cause of the sorry state of health care in this country is the federal government's decision to make drastic cuts in funding.

We must not forget that federal cutbacks in health care funding have serious consequences for the public finances of Quebec and other provinces. Quebec Finance Minister Jean Campeau told Quebecers last week about the impact of federal offloading on Quebec's commitments, commitments the Quebec government cannot ignore. The federal government, however, is doing just that, with predictable consequences for the provinces.

The federal government saved several billion dollars at the provinces' expense by unilaterally imposing a freeze on transfer payments for health care.

Moreover, in the last budget, Minister Martin made it very clear that the government would continue to save money at the provinces' expense by cutting $2.5 billion in 1995–96 and about $4.5 billion in 1997–98.

By the end of 1998, $8 billion will have been cut since 1982. And people are surprised to see Minister Rochon cutting mil-

lions of dollars in order to be able to keep providing health care services. Eight billion dollars, Mr. Speaker, can you imagine? What can the provinces do in the face of this kind of offloading?

It should come as no surprise that a motion is before this House, asking the federal government to give the provinces more flexibility so they can decide how to meet the challenge of providing adequate care services to their people.

Members of the Bloc Quebecois cannot support this motion because we feel this would let the government off the hook for the harm it is doing to the entire system. It would be too easy.

It has been some time since the federal government met the commitments it made to its provincial partners in 1977. Today, however, we are being asked only to seek more flexibility which, at best, would mean privatizing certain services or approving the use of private clinics and double billing.

For us there is only one solution: the federal government must withdraw altogether from this provincial jurisdiction and give the provinces fair compensation in the form of tax points.

It is clear that the federal government has reneged on its initial commitments to the provinces. It is also clear that by continuing to apply its standards to an area that falls under provincial jurisdiction, while refusing to pay the real cost, the federal government is like someone who asks you out to dinner and leaves you with the bill.

Although at the time it was very critical of the policy initiated by the previous Conservative government, the present government is accelerating the advent across Canada of a two–tier health care system, with on one side, basic services covered by medicare and on the other, specialized care and advanced technology available to those who can afford it. This means waiting lists for some, but no waiting if you can afford to pay.

Without comprehensive reform and the vision that is necessary for a balanced health care system, excessive funding cuts will set the new standard for the health care system.

• (1145)

They can promise deep reforms all they want, and a national forum presided over by none other than the Prime Minister, it will mean nothing until they go beyond those empty promises.

The problem is that the Minister of Finance could not wait to impose his reforms. In addition, just like his predecessors, he coupled his unilateral, insidious and heavy cuts with mandatory health care system reforms.

You would have to be naïve not to realize that the Canada social transfer is just a veiled attempt to slash funding for education, social assistance and health. You would also have to be naïve to believe the Minister of Health when she says that the Canada social transfer will actually ensure that the health care system stays the way it is, yet give Quebec and the provinces more room to manoeuvre. How can the minister actually say such things, and believe them?

Let us be serious now; there is a paradox in the federal government talking about giving Quebec and the provinces more room to manoeuvre so that they can dispense quality health care services yet all the while continuing to increase the burden placed on the public finances of the provinces.

In 1977, when the federal government created the Canada Health Act, it agreed to assume 50 per cent of the cost of maintaining the health insurance system. Over the years, we have seen that contribution shrink to 38 per cent. Betraying the campaign promises made in the red book, the current government would reduce its share to 28.5 per cent.

The federal government still does not understand that all of these years of offloading to the provinces has aggravated their financial situations as much as it has jeopardized the survival of social programs. What is more is that by imposing overlaps in areas that its own constitution does not give it powers, and by continuing to cut funding, the federal government is preventing Quebec and the provinces from finding real solutions to the financial crisis they are fighting.

As many studies have shown, the federal government's financial intransigence is propelling our health care system towards radical changes. Nevertheless, Quebec and the provinces are all trying to come up with solutions to forestall the disappearance of the current quality standards.

The very essence of the motion before us today bears witness to the will of Quebecers and Canadians to pull out all stops to find a solution. Everybody is working towards this goal, except the centralist government which refuses to live by its own constitution and to respect the provinces' exclusive power over health care.

What is sad, and history proves it, is that the federal government has always had the same ambition: being the only government in Canada.

In conclusion, the Bloc Quebecois cannot support the Reform Party's motion. Although this motion supports certain principles that we defend and denounces to a certain point the federal government's unilateral pull–out from the Canada Health Act, the contract it signed with the provinces in 1977, it does not get to the crux of the matter.

In our opinion, the provinces should be the only operators in the area of health care. From parliamentary commissions to consultations of all kinds, Quebec and the provinces have demonstrated that they are capable of rising to the health care challenge. If only the government would stop penalizing them with cut after cut without any financial compensation, they

would be able to guarantee dignified health care services which treat people with respect. That is the real solution.

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I am pleased to speak in support of private member's Motion No. 424, tabled by my colleague from Surrey North.

The motion is straightforward. It asks that the government allow the provinces greater flexibility in the delivery of health services. The motion before us recognizes that we have reached a watershed in health care funding in Canada. The old system is becoming increasingly unsustainable as federal and provincial governments groan under the weight of a $72 billion doctors' bill.

• (1150)

The challenge facing these governments, which the hon. member for Surrey North addresses in the motion, is how to reduce funding without threatening the fundamental principle of medicare, which is that no Canadian will be denied access to health care based on an inability to pay. What we now have to ask ourselves is how this can best be done. I believe that Motion No. 424 identifies the proper course.

Before discussing the motion, I would first like to provide you with an explanation of how the health care funding crisis came to pass. The starting point in all of this is to acknowledge that health care falls exclusively under provincial jurisdiction. No one disputes that fact. The only reason the federal government is involved at all in the funding of health care is that 30 years ago it promised the provinces it would pay 50 per cent of the tab if they played by some of the rules. The culmination of this dollars for influence funding arrangement was the Canada Health Act, which was passed in 1984.

While the Canada Health Act may have been enacted with the best of intentions, it effectively restricted the ability of provincial governments to innovate and experiment in delivering health services. Creative ideas and efforts in cost control were automatically excluded from consideration. The straitjacket of the Canada Health Act was not so onerous to the provinces when the federal government was paying up to 50 cents of every provincial health care dollar. However, beginning in 1977 the federal share of health care spending began to decline. First the government shifted to a block grant, then it imposed restrictions on the grant's rate of growth, and finally, in the last budget, the federal government announced that the cash portion of the grant would be reduced by 39 per cent over three years.

Today the federal share of health care spending in Canada has shrunk from 50 per cent to only 24 per cent. The cash portion of that share is only $7 billion, which is 10 per cent of the $72 billion we will spend on health care this year alone.

In coping with cuts of this magnitude the provincial governments face three stark choices: they can try to make up the lost federal dollars by raising their own revenue; they can cut the level of quality of their health care services; or they can find newer, leaner ways of providing the level of services constituents deserve. Clearly, the first two are not options. Provincial governments are just as financially strapped as is the federal government. Raising taxes simply is not a viable solution any longer. Indiscriminately slashing programs is not an option either. The only realistic avenue open to the provinces is to come up with new ways of providing these services more cheaply, more quickly, and better than before. However, the Canada Health Act is standing in their way. The provinces do not have sufficient flexibility and freedom to institute the kinds of reforms that can put medicare back on a sound financial putting.

This places the ball back in the federal government's court. It has two options: either continue to insist on preserving the rigid interpretation of the Canada Health Act, in which case Ottawa will have to resume picking up 50 per cent of the cost, or amend and reinterpret the act to give the provinces the freedom they need in order to meet the funding challenges ahead. No party can pretend that the first is a realistic option. The federal government cannot now nor will it ever again be able to pick up half the tab of medicare as it exists today. Health care consumes 10 per cent of our nation's GDP, a greater proportion than any other nation except for the United States.

What this motion is saying is that the federal government can no longer have it both ways. The longer we insist on having it both ways the greater the chance that our national health care system will collapse under its own weight. The only realistic course of action is the one this motion recommends; that is, giving the provinces the ability to redesign their health care services, allowing them to experiment and to improve on old ways of doing things, and ultimately letting the voters of each province decide how much health care they are willing to pay for. This is the approach taken by Reform.

• (1155)

What we have said in our blue book and what we have reiterated in the taxpayers budget is that a Reform government would provide unconditional federal funding in support of health care services. While our taxpayers budget proposed reducing current funding levels by $800 million, it also included a pledge to turn over to the provinces additional tax points, which would grow along with the economy.

What the present health care debate comes down to is the question of trust. Reform is saying that provincial governments can be trusted to uphold the fundamental principle of Canadian health care: that nobody will be denied adequate health care based on inability to pay. By refusing to amend or reinterpret the

Canada Health Act, this Liberal government is effectively saying that the provinces cannot be trusted to uphold this principle.

My question for the government is this. Why on earth can the provinces not be trusted? After all, medicare was not dreamed up in Ottawa. It originated from one province experimenting with new and better ways of caring for its people. Medicare itself was born precisely because the federal government of the day provided provincial governments like Saskatchewan with flexibility in the field of health services.

I would also ask the government why it questions the provinces' commitment to health care at a time when the federal government itself is steadily reducing its own share of the burden. Cash transfers for health amount to less than 6 per cent of total federal program spending. Yet the provinces typically devote between 30 and 40 per cent of their budgets to health care.

Who are the true guardians of health care in this country? It would seem to me it is the provinces. From a more pragmatic viewpoint, why would this government doubt for a moment that the voters of any province would allow a provincial government to undermine the fundamental principles of medicare?

In closing, I would like to point out that the governments closest to the people are held closest to account. Ultimately, in a democratic society it is the people who should decide how a province fulfils its constitutional duty to provide health care services, not a federal bureaucracy.

I hope everyone will give their support to Motion No. 424.

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, I an indeed pleased to be able to participate in this debate. I personally believe very strongly in the principles of medicare and I know that they are also of great importance to people not only in my own riding but across the country.

The Canada Health Act is a brief, simple act. It sets out the five principles: public administration, universality, accessibility, portability, and comprehensiveness. It has a few definitions and deals briefly with penalties for failure to achieve these principles. It does not, could not, and should not set out how provinces operate their systems.

The preamble of the Canada Health Act is clear on this. Provinces are free to build their own systems within the broad framework of the Canada Health Act.

The guiding principle of medicare has long been that Canadians' health and access to quality care should not depend upon their financial means. In 1984 the Canada Health Act was introduced by a Liberal government and passed unanimously. The preamble of the Canada Health Act recognizes that "Continued access to quality health care without financial or other barriers will be critical to maintaining and improving the health and well–being of Canadians". This concept is also brought out as the primary objective in Canadian health care policy: "to protect, promote and restore the physical and mental well–being of residents of Canada and to facilitate reasonable access to health services without financial or other barriers, as described in section 3 of the act". It is within this framework that I wish to address the motion before us today.

• (1200)

Contrary to what some members in the House would have us believe, the government does not have a rigid view of how health care should be organized in Canada. The provinces already have a large degree of flexibility in the organization and provision of health insurance and health services. They have had this flexibility for many years. The only conditions the federal government assigns are that the provinces respect the requirements of the Canada Health Act.

Within the requirements provinces can experiment and change the way they deliver care, and many have been doing so. Nothing in the Canada Health Act limits the flexibility of provinces to realign the delivery and organization of their health care systems. Almost all provinces have embarked over the last few years on major reforms of their health systems.

The public administration criterion of the Canada Health Act presents a good example of the flexibility inherent in the act both in the provision of health insurance and in the delivery of health services by the provinces. The criterion applies to provincial health insurance plans and not to the administration of individual components of the health care system such as hospitals. This means, for instance, that private sector management of publicly owned hospitals is permitted. In addition the criterion allows administration authority of a provincial health insurance plan to be delegated to an agency if that is the wish.

Another example of flexibility inherent within the Canada Health Act relates to hospital services. These services are not directly tied to an institutional setting. Thus it is permissible for acute care to be provided in the community in a patient's home, for instance. It is always the provinces, not the federal government, that determine which services will be given in which setting.

The extramural hospital in New Brunswick is an example of provincial use of the flexibility. Under the program the patient is formally admitted to the acute care program. However, all required services are brought to the patient's home and not to the most expensive operating unit within the hospital structure called the emergency ward.

I emphasize, however, that the government recognizes the need for flexibility. On other hand it will not compromise on the fundamental values upon which the Canada Health Act and medicare in Canada are based. We are and we will continue to be flexible in our approach to health care, but we will not permit financial barriers to impede access to health services. If flexibility means turning our health care system into a private one that profits from the misfortunes of Canadians, the government

wants no part in it. We will not tolerate direct charges to patients for medically necessary care.

During this period of constraint creative processes are being produced by creative individuals in every province in handling these fiscal problems. There are solutions and money can be managed much more effectively than it is at the present time.

One of the most cherished services enjoyed by Canadians is the health care system. Health care issues constantly rank as number one across a variety of polls. The federal government is the ultimate torch bearer of the one of the last truly national programs. The central government, therefore, is morally obliged to defend the Canada Health Act against policies that seek to destroy it.

I believe as do many Canadians that the Canada Health Act should be kept as it is. Undoubtedly any changes to the fundamental principles upon which health insurance is founded would cripple the most notable gains attained by the Canadian health care system.

We need only look south of the border to realize how fortunate we are to enjoy the health services we do. In the United States approximately 35 million people are without adequate health coverage. Health care horror stories abound south of the 49th parallel. Even Americans who have medical insurance can be hit by very high medical bills. In some cases, because of poor family coverage, if a family member has a serious illness or an accident the extra bills can be financially devastating. Moreover American company medical insurance plans lock many Americans into their jobs. This is because once a person develops a chronic illness no other insurance company will provide insurance at reasonably affordable rates.

• (1205)

Certainly wealthy Americans can receive the finest possible health care. However this is certainly not the case for the middle and lower socioeconomic classes. It is interesting that the opposition in the House is advocating a very similar system to that of the Americans.

Some detractors of our health care system indicate that we can no longer afford medicare in its present form as a result of our fiscal situation. However most health economists agree that it is not our medicare policy in and of itself we can no longer afford, but the inefficiencies in the manner in which medicare is implemented and delivered.

Significant improvements could be made in a number of areas without compromising national standards. For example, the unbridled growth of unproven and costly new medical technology has ballooned health care costs without any apparent return on the money spent. Another problem pertains to the manner in which drug prices have skyrocketed over the recent past. As well it appears supply and distribution of our medical manpower need improvement.

These are but a few of the areas where efficiencies, if introduced, could reduce the cost of delivering health care in Canada. Above all, provinces must listen to those who deliver and maintain health care services as well as those who receive the services. Although some problems exist we must do what we can to improve the system without destroying it. In a nutshell, the difficulties facing our health care system are the result of unlimited demands upon a limited pool of resources.

I feel compelled to rise today before the House to speak against a motion that would ultimately lead to the dismantling of the health care system that is dear to the hearts of many Canadians. In sum, Canadians demand and expect direction from the federal government for the preservation of our most sacred national program. The government has a moral right and the legal authority to ensure that this is the case. That is why we must vote against the motion before us today.

The Acting Speaker (Mr. Kilger): The time provided the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

CN COMMERCIALIZATION ACT

On the Order:

May 5, 1995—The Minister of Transport—Second reading and referral to the Standing Committee on Transport of Bill C–89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the Company to the public.

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I move:

That Bill C–89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corportions Act and for the issuance and sale of shares of the Company to the public, be referred immediately to the Standing Committee on Transport.

[*English*]

I am pleased to open debate on Bill C–89, an act to commercialize the Canadian National Railway.

This is an historic occasion, one that marks a very clear turning point in the history of transportation in Canada. In 1923 the federal government completed the amalgamation and takeover of five privately run railways: the Grand Trunk, the Grand Trunk Pacific, Canadian Northern, the Transcontinental and the

Intercolonial. CNR was the result. With the help of the deep pockets of Canadian taxpayers, CN grew into what it is today.

• (1210)

Rail is not the only transportation method available now. Our shippers have other choices: the trucking industry, which has taken on a large part of the business; air freight; or through the seaway and the Great Lakes by ship. There is potential for strong competition in transportation in Canada, which is absolutely essential in any modern economy.

The legislation is part of our government's intention to have the private sector operate in areas where it can do the job best. The Minister of Finance said in the budget last February:

> Our view is straightforward, if government does not need to run something it should not, and in the future it will not.

[*Translation*]

Under this bill, 100 per cent of the government's share in CN will be sold in a public offering. All Canadians, including CN employees, will have a chance to buy shares. A maximum of 15 per cent of shares may be held by any one individual or company; there will, however, be no restriction on foreign investors.

CN employees will continue in their current positions in the new CN, and their pensions will be protected under the Pension Benefits Standards Act. A standard stock savings plan will be offered to CN employees to encourage their participation in the new company.

The Head Office will remain in Montreal, and the Official Languages Act will continue to apply to CN employees. These provisions will have not impact on CN's "saleability", because they have both been in place for a long time and have served the CN and its customers well.

We believe that putting CN on a solid and viable financial footing is the best way to ensure that it will be able to maintain coast to coast rail service. CN must have every opportunity to compete fairly and aggressively with all its competitors, primarily, the trucking industry, CP Rail and the U.S. railroads.

To achieve these objectives, we have struck a balance between the obligations we wish to impose on the new company and the negative effects these could have on both the viability of CN and on the value of our equity.

The size of the public offering of CN stock is the largest in Canadian history and makes this balance a very delicate one. We need to be careful about imposing too many restrictions on CN. We must attract international investors, especially those in the U.S., with positive experience in rail investment. We want to ensure that the CN is free to function and finance its operations as its competitors do.

[*English*]

It is not our intention to impose onerous foreign ownership and service obligations on the new CN that do not apply to CP. We want to make sure that control of CN is broadly based so that no single individual or company controls more than 15 per cent of the shares.

CN has to be put on a sound financial footing. To achieve this, CN's current debt of $2.5 billion will have to be reduced to approximately $1.5 billion. CN's debt will have to be reduced to a level where it will receive an investment grade rating similar to that of its main Canadian and U.S. competitors. Our goal is to have CN in a capital position that would allow for at least a BBB bond rating.

The company is expected to raise funds to reduce debt prior to the sale by selling assets such as CN Exploration, which it has recently done, and the Scribe hotel in France which is currently being marketed. CN is also currently pursuing the sale of CANAC and its AMF maintenance shops in Montreal as well as some leasehold interests. CN's Canadian non–rail assets are not part of the deal. They will be retained by the crown. Our intention is to put the new company in a competitive position, not to tip the level of the playing field in CN's favour.

The legislation represents the government's firm commitment that both the company and the taxpayer must be treated fairly when the shares go to market. We have put together a unique structure to manage what will be the largest initial public offering in Canadian business history.

We have an agreement with three investment banks, ScotiaMcLeod Inc., Goldman, Sachs and Company of New York and Nesbitt Burns Inc., to form a consortium for the purposes of leading the deal. The arrangement will allow the Government of Canada and CN to draw on the resources and experience of these institutions in the decision making process.

• (1215)

Competition and a viable railroad system from coast to coast is burdened by the current regulatory environment. It is my intention to present to the House legislation that will chart the way to major reforms of our regulatory regime before summer. The legislation will provide the regulatory framework for the future of transportation in Canada. It will encourage the creation of short line railways and it will provide for real competition.

The regulatory process will ensure there will be no abandonment of service unless no one, private sector or government, wishes to take up the line. That will be the most obvious benefit of the reform but it will go much further. It will also provide the framework to allow all modes of transportation to perform efficiently and effectively without needless government intervention.

The aim is to put in place the framework for integrated transportation based on a policy that is consistent, transparent and fair for everyone. Transport Canada will focus its efforts on maintaining and improving the world class safety record enjoyed by our transportation industry, whether on the surface, in the air or on the water.

Our transportation system must be modern, dynamic, innovative, growing and as unrestricted as possible. We must constantly move forward to find newer and better ways to move our goods and our people if we are to remain competitive as a nation.

The air sector has been modernized with a national air force policy, open skies, bilateral agreements with the U.S., the international air routes policy and the commercialization of the air navigation system that will take place in April 1996. We will also announce the marine policy initiative the government intends to pursue before the end of 1995.

I support the motion to refer this legislation to the Standing Committee on Transport for review prior to second reading. I believe the Standing Committee on Transport will be well able to handle this task, as evidenced by the national marine strategy report tabled recently by the chairman, the member for Hamilton West. I look forward to hearing its suggestions and views on this legislation.

Over the years successive governments have attempted to maintain a reasonable level of competition in our rail transportation system. That strategy has only been relatively successful. It is time now for the government to withdraw from the direct operation of railroads and let the private sector do its job. It is time to put the private sector entrepreneurial skills we know exist to work to make CN a viable, successful and competitive operation.

I have every confidence that with this legislation the government is taking another step in its commitment to providing for an integrated, affordable, viable and competitive transportation system in Canada.

The Acting Speaker (Mr. Kilger): Before following up on the debate, I remind the House the debate will be at the maximum 180 minutes—three hours—before the question is put. Interventions will be no more than 10 minutes without questions or comments.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, the Bloc Quebecois approves in principle the government's proposal to sell CN to private interests. However, it has serious reservations about certain provisions of Bill C-89.

I will propose amendments to these provisions in committee. We object to clauses 8 and 16. We will also recommend an amendment to clause 6 regarding CN property that may be transferred to the Minister of Transport so that he can put it up for sale later.

Let us start with clause 8. One purpose—undoubtedly laudable—of its seven subsections is to prevent any individual, corporation or associate as defined in subsection (4) from holding more than 15 per cent of voting shares.

Notwithstanding these provisions, subsection (5) allows two such associates to disassociate, so to speak, from each other for the purposes of the act by submitting a statutory declaration stating that they are not acting and will not act in concert with respect to their interests in CN.

• (1220)

Each of the declarants may acquire voting shares up to a maximum of 15 per cent as if he or she was not associated with the other person. This dispensation, which broadens the pool and purchasing power of potential buyers, is probably necessary given the size of the operation. However, CN administrators must still be able to check if, in fact, declarants comply with the terms and conditions of their statutory declarations.

We feel that such control would be difficult to exercise in the case of foreign buyers. We are therefore proposing an amendment under which subsection (5) respecting the statutory declaration would be restricted to Canadian buyers. As a result, two or more foreign associates will not be able to exceed the 15 per cent limit by submitting statutory declarations.

If clause 8 aimed at preventing an individual or corporate takeover of CN must be approved in principle, the same cannot be said of clause 16. Regrettably, even in this bill whose provisions should have been purely financial in nature, the government could not resist, once again, one of its old demons: trying to invade an area of provincial jurisdiction.

Clause 16 may appear harmless. It reads as follows:

> (1) The railway and other transportation works in Canada of CN, of every subsidiary of CN and of every corporation formed by any consolidation or amalgamation of any two or more of those corporations are hereby declared to be works for the general advantage of Canada.

The catch is that, once they are declared to be for the general advantage of Canada, these works will be subject to federal legislation. If CN reaches a joint ownership agreement with a short-line railway, this railway will shift from provincial to federal jurisdiction, as suggested in the Nault report, we should point out. And the deed will be done.

Not only is the principle of this federal encroachment on a provincial jurisdiction unacceptable, but so are the economics of it, as we all know that one of the main reasons short-line railways can operate on sections considered non profitable by major companies is that they are not subject to cumbersome

federal railway regulations. Short–line railways need the operating flexibility provincial regulations give them, at least in Quebec.

This federal initiative is therefore likely to discourage the creation of short–line railways and limit their numbers. We must realize that each one of these railways is a section saved from abandonment. If the government now interferes with the development of short–line railways, this will mean that a larger part of the rail network in Quebec and Canada will be abandoned. So, we suggest that only interprovincial works of CN and its subsidiaries, and not those works which are entirely comprised within a province, be declared to be works for the general advantage of Canada.

Moving on to the intention expressed by the minister to purchase and sell separately CN non–railway assets, including AMF, a Quebec company. This company employs some 1,300 people whose jobs could be endangered if the company's ties with CN were severed. Under clause 6 of the bill, the minister may, while CN is a Crown corporation, direct CN to transfer such property. We will move an amendment providing that, before selling these companies, the minister, to protect jobs, will ensure that they are viable and, if need be, will take steps to ensure that they are.

To conclude, while agreeing in principle with privatizing CN, the Bloc Quebecois cannot help but notice that, far from resulting from a rail policy based on the requirements of the economy, this transaction pursues the purely budgetary goal of bringing in a lot of money very quickly. It is not a rational choice. It is a fire sale by a hard–pressed government.

• (1225)

Pressured by creditors, obsessed by Moody's downgrading of its rating, the federal government is putting up for public sale one of our crown jewels, a national treasure, because it desperately needs money to pay the interest on the accumulated debt caused by 20 years of mismanagement. There may be no other way out, but what an admission of failure.

We are witnessing, stunned by such incompetence and the misfortune of being governed by such poor leaders, the decline of a government that had its heyday before the current Prime Minister began, some 20 years ago, as the then finance minister, to dig this bottomless grave into which our national debt is dragging us, and the proceeds from the sale of CN will be but a shovel full of dirt in this grave.

In the face of this failure, how can one resist the temptation of comparing the Canadian federal system to a father who has to sell the family furniture and silver to pay household bills after getting deep into debt because of profligate spending and improvidence? No wonder, Mr. Speaker, that we, Quebecers, are anxious to get out of the house.

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, when I made my first speech in the House I stated I was not here to oppose for opposition sake. If the government brought forward good legislation I would be the first to congratulate it. I also stated if I thought the legislation was not good I would offer constructive alternatives as to how the legislation could be made better. Bill C–89 covers both of these situations.

There is no denying the primary concept of the bill, to privatize CN Rail, is a good move. It is something the Reform Party has been pushing for since before the election. I spoke strongly in favour of privatization during transport committee hearings with the NEWCO concept and again when I made a presentation to the all Liberal task force on CN Rail.

The tone of the discussions by the members of the all Liberal task force raised the concern with me they might not be working toward the privatization of CN Rail. I am very pleased to see the government finally got around to doing the right thing. It is certainly better late than never.

In keeping with the first part of my maiden speech, I congratulate the government for accepting yet another Reform policy. However, as it seems to be a constant pattern with the Liberals as they adopt Reform ideas and policies, they lose most of the common sense in our ideas when they put their own stamp on them. This brings me to the second part of my first speech, constructive alternatives needed to make a badly worded concept a viable reality.

The Reform Party will support Bill C–89 at first reading so it can be sent to committee where I hope the government will be as receptive to amendments necessary to make this legislation work sensibly and fairly as it was in following our idea on the concept. In supporting the bill at first reading, I can assure the House it is the concept and not the content we are in favour of.

With regard to the content, there are many problems I will be addressing at committee. Areas of concern include the minister's unrestricted power to reduce or even eliminate CN Rail's debt. In this there is a potential for disaster for both the Canadian taxpayer and the rail transportation industry. If the minister plans only to do what is reasonable then he should not mind restrictions in the bill to confirm this. If he plans to go further than is reasonable then he must be stopped.

In the same area of concern is the question of the real estate assets of CN Rail being separated from the rail operation to be sold. The sale of these assets should be the primary method of debt reduction of loans carried by CN Rail. That sale should go to the private sector, not from the taxpayer owned corporation to a department of the government using the taxpayers' money to buy their own assets from themselves. This action would bring us to a new height of creative accounting.

There seems to be some confusion between government departments, the Liberal dominated Standing Committee on Transport and the minister as to what is really planned. The Reform Party is quite prepared to help them sort that out in committee.

I am also concerned about the section which limits the share of purchases to a maximum of 15 per cent of the total shares. In marketing the shares of CN Rail to the public there are only two types of investors who would look at such an offer. One is the common investor made up of individuals, companies or investment groups. This type of investor buys shares primarily for a return on investment. CN Rail's track record does not provide a very rosy picture for this sort of investor unless they feel a new private sector operator can run the company much more efficiently than it has been run in the past.

• (1230)

This brings us to the second type of investor: a company or a group of individuals who believe they can operate the rail company much more efficiently than in the past, thus raising the value of their investment. Such an investor would be far less likely to invest if they felt they could not purchase a large enough portion of the company to ensure that the needed new operating efficiencies would be implemented. Let us not kid ourselves, the general investors are not going to be lining up to purchase a company with such a losing track record as CN Rail has had.

Two provisions contained in the legislation that would create restrictions on a new company when formed are neither common to their competitors nor necessary. These two restrictions are the requirement to maintain the corporate headquarters in Montreal forever and the requirement to maintain the current official language policy of the government. It makes no sense to require a company to maintain its headquarters in any one city, nor to require it to follow any other restrictions that are not followed by the rest of their industry. As I said earlier, this company is going to be hard enough to market without placing a bunch of ill–conceived restrictions in the way of the sale.

Other concerns involve items that are not contained in the legislation. These include some measure of protection for Canadian investors, including individual workers and unions in the company. The rail industry in Canada has occupied a special part in the building of this country. Many Canadians may want to try to be part of the revitalization of one of our national rail companies and certainly should be given every opportunity to participate. One way to ensure they would have this opportunity would be to restrict the sale of shares upon introduction to Canadian individuals and companies before opening it up to the international market. I know that it will likely take an international market to sell off all the shares of CN Rail, but what is wrong with offering a little benefit to the Canadian people who we are here to represent in the process?

Another area to be considered is the suggestion I made in my presentation to the all Liberal task force last year. That idea involves the consideration of selling only the rolling stock and buildings of CN Rail and retaining the track infrastructure to form a common rail system that would be open to all railway operators on a cost recovery basis. This would include revenue from diesel fuel taxes paid by the rail companies. To be successful this would have to incorporate CP Rail's track as well, but it would not have to be government owned. It could be set up as an industry and user operated system, just the same as we are in the process of doing in the aviation sector with air navigation services. This would open up the track to any rail operator, which would greatly enhance the potential for short line operators.

These are some of the concerns I will be bringing to the committee stage of the legislation. The government has shown good sense in accepting the concept of Reform policies on this issue. I hope the good sense will continue, so that they can also accept the amendments necessary to change this from a good concept to good legislation.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I am pleased to participate in the debate on Bill C–89, particularly after hearing the objections made by the hon. member for Kootenay West—Revelstoke to the CN head office's remaining in Montreal. I simply want to thank the hon. member, because he is helping us win the upcoming referendum. We often hear members from English Canada say that Quebec gets too much and that the federal government is too generous with our province. It is just incredible to hear such comments.

That being said, my purpose is to tell those Canadians who are watching us today about this important bill.

This will only be a foretaste, if I can put it that way. Indeed, the real fight will come in committee, where our party intends to condemn this bill. The Minister of Transport will appear before committee members tomorrow afternoon, at 3 p.m. We hope that he will answer our questions in a more explicit manner than he has usually done in the House, where he is arrogant and often hurls insults at the opposition.

As well, I can hardly wait until Wednesday, when the transport committee will welcome CN's president, Paul Tellier, the one who benefited from a generous interest–free loan of $300,000 to buy a $345,000 house in Westmount. This will be my first encounter with Mr. Tellier, since that generous loan was granted to him.

• (1235)

And now for the most important aspects of this bill. In committee, our party, the Bloc Quebecois, will seek amendments because of two major objections we have to this bill. The first one concerns clause 8. This clause is very important because it imposes limits on the total percentage of shares that may be owned by a person or a group of persons.

Let me tell you about some of my concerns. For instance, I am afraid of an indirect U.S. takeover through company affiliates. Presumably, the minister or the parliamentary secretary will say that they plan to cap the percentage of shares held by Canadian or foreign companies at 15 per cent and that this point is very well covered. My point is that, as happens from time to time, some companies might have certain agreements. I am not talking about collusion. Certain agreements might be made under the table, as they say where I come from, in order to do indirectly what they could not do directly.

Clause 8 also contains the provision that CN shall maintain its head office in the Montreal urban community. Obviously, Mr. Speaker, unlike the Reform Party, our party cannot object to this recommendation.

Subclause 2 of clause 8 refers to strict provisions that will be enforced in the case of non–compliance with the 15 per cent limit. Of course, there is no restriction on shares held by the Government of Canada.

Subclause 4 provides a detailed definition of the term associate. The Standing Committee on Transport will have to consider this point later on. We find subclause 5 very disturbing because it provides for exceptions to subclause 4. That is something we will have to discuss in connection with the 15 per cent ceiling on ownership of CN shares.

Another point that will also gain by further study is the provision that the directors of CN shall determine whether persons in the group comply with the statements in a statutory declaration and are acting independently and not in concert. The reason the government included this paragraph is probably that it did not want to exclude companies which are part of vast financial consortiums with independent subsidiaries from becoming shareholders in CN.

I will give you an example. Could Bell Canada Enterprises buy a 15 per cent share; Northern Telecom, 15 per cent; Montreal Trust, 15 per cent; and Bell Canada itself, another 15 per cent? This would be tantamount to the situation I mentioned earlier in which one interest could indirectly achieve what it is prohibited from doing directly. The related companies I just named could take a 60 per cent share of CN. That is food for thought. In itself, this exception is certainly important, but it is not particularly worrisome because clause 8 prohibits companies from associating to form a controlling interest in CN.

Another paragraph of clause 8 defines control. Essentially, "control" means control in any manner that results in control in fact, whether directly through the ownership of a majority of shares or through negotiations between shareholders. Regarding the definition of a voting share in clause 8, I would like to ask what is the technical implication of the stipulation that a voting share is a share carrying voting rights, including a security currently convertible into such a share and currently exercisable options and rights to acquire such a share or such a convertible security? The Standing Committee on Transport will have to get answers to these questions.

• (1240)

With respect to clause 8, I have set out our party's position very clearly for you. The Bloc Quebecois will propose an amendment to close the gap we found in the bill.

We also strongly disagree with clause 16. We disagree with it completely, because we believe it gives the federal government the option of getting involved in what we in Quebec call the CFILs, local trains, or what the rest of Canada calls short lines.

We consider this clause particularly underhanded, because it declares Canadian National works and subsidiaries to be works for the general advantage of Canada and implies that these subsidiaries and works will remain under federal jurisdiction. Thus, under any joint ownership agreement CN concludes with CFILs, these short lines will come under federal jurisdiction. In Quebec, a CFIL was set up for the lines linking the Abitibi and the Saguenay—Lac–Saint–Jean regions, where employees agreed to operate the CFIL according to an agreement with CN.

Therefore, we consider that clause 16 flies in the face of CFILs as an intraprovincial form of transportation, one that operates within the province, which are thus currently under provincial jurisdiction.

I do not claim to have a monopoly on truth. The people at Transport Canada, the minister and Mr. Tellier will tell us the opposite, but our understanding of clause 16 is that it will make this means of intraprovincial transportation—that is, within the province—, currently under provincial jurisdiction, come under federal jurisdiction.

As you no doubt know, Mr. Speaker, our party, which has repeatedly had occasion in this House to reject all the federal government's attempts at centralization—what the Prime Minister calls flexible federalism—will not let the federal government try to lay its hand on this field of provincial jurisdiction. In any case, this also came up in the Nault report, which suggested that CFILs should come under federal jurisdiction.

You remember the Nault report, the work of a partisan group comprising only Liberal members and one Liberal senator and excluding the opposition parties, the democratically elected

Bloc Quebecois and Reform Party. This is part of what we consider totally inadmissible, and we will call for amendments to clause 16.

In closing, there is a third point where we require more information. It concerns the future of CN's current subsidiaries such as the AMF locomotive works in Montreal or the Can–Car plant. We also want reassurance about the future of these subsidiaries with a privatized CN.

With that being said, the best is yet to come on Tuesday and Wednesday before the Standing Committee on Transport.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am pleased to make my contribution as one of the first speakers on Bill C–89, which would privatize CN's rail assets, including their track, rolling stocks, buildings, et cetera.

Unfortunately, the bill excludes a major part of CN's assets, such as non–railway real estate assets, probably the most valuable part of the company. Reformers would like to see these assets sold off before the privatization effort takes place, in order to reduce CN's debt load.

My hon. colleague has described a number of flaws with the bill that need to be fixed. These include prohibiting the government from arbitrarily cancelling all or part of CN's debts prior to privatization; removing the requirement to leave CN's headquarters in Montreal; removing the requirement that CN comply with the government's policy of official bilingualism; and removing the 15 per cent ownership restriction.

• (1245)

I want to use my time today not just to point out the obvious flaws in this bill but to talk about privatization in general and introduce a number of ideas for consideration by the government before this bill is sent to committee.

The privatization of CN is a good thing, but the government has an opportunity to make it a great thing. I want to suggest the government use this, its first effort at privatization, as a testing ground for the privatization of all crown corporations.

In 1987 Madsen Pirie, president of the Adam Smith Institute in London, a world renowned expert on privatization, spoke at a Canadian symposium on privatization organized by the Fraser Institute. He had this to say about the fundamentals of privatizing a crown corporation:

> When government engages in an activity such as privatization, it is speaking to several audiences. Among the audiences that government speaks to are the managers of crown corporations, the workers who are employed in them, the members of the general public who are customers of crown corporations, the general public who are taxpayers and who pay subsidies to support the losses of those corporations, potential investors who might buy shares in those corporations, the financial and business community which takes an interest in their performance, and the media commentators who observe this process and comment on the results and declare it to be a success or a failure. Every act of privatization speaks to all of those audiences, and every act should be tailor made to maximize the support of each of those different groups.

When reviewing this bill we should test it against Dr. Pirie's list of vested interests or audiences. Bill C–89 must address each of the groups affected by the privatization: the managers, the workers, the customers, the taxpayers and the investors. If Bill C–89 does not specifically address each of the needs and interests of these groups, amendments will be necessary.

Dr. Pirie also outlined three key principles of privatization. First, never cancel a benefit. If people are deriving a benefit from the public activity of a crown corporation, never cancel it, however unjust it is.

Second, make friends out of your enemies. Find out who the people are who might lose on the privatization process and structure the policy to make sure they gain instead.

Third, disarm the opposition. Identify all possible objections to privatization and tailor make the policy so every single one of these objections is dealt with in advance. The government should ensure it has considered each of Dr. Pirie's three principles in planning for the privatization of CN and the necessary legislative measures are included in Bill C–89.

Based on these audiences and principles I believe that every privatization initiative must have a list of groups with a vested interest in the sale of CN and give them the first opportunity to buy CN shares. CN employees should be given the first opportunity and the highest priority. CN customers come second on the priority list and Canadian taxpayers and investors are third.

I would also like to explore some new ideas for consideration by the government before Bill C–89 becomes the law of the land. What about linking two or more government objectives into one?

For example, the government is giving landowners in the west a one–time payout for eliminating the WGTA subsidy for the railways, commonly known as the Crow rate. Would it be possible to give western farmers the choice to have their Crow rate buyout in the form of shares rather than cash? Farmers could then have a direct financial interest in the economic performance of CN. If done properly, the government could overcome opposition to both the Crow rate buyout and the privatization of CN with one move. I offer this idea to be explored by the government to lessen some of the negative effects of both programs.

In 1986 the Economic Council of Canada published the report: "Minding the Public's Business". In chapter five titled "Government Enterprise and Business" the economic council made the following recommendations:

> Entry into rail carriage could be promoted in different ways. The provisions in the proposed legislation could be expanded to make running rights more easily available and to open entry into rail carriage to anyone who can meet the basic requirements related to safety and liability coverage. Instead of regulating the activities of CN and CP in their capacity as providers of the roadbed, the management of all track could be assigned to a new publicly owned track authority. This would require the nationalization of CP's roadbed and the separation of CN's track from the other components of its operation. Alternatively, a public track authority could be created, based exclusively on the infrastructure of CN.

• (1250)

This is an idea whose time has finally come. The government should give serious consideration to establishing a public track authority which would operate similarly to our highway system. This would eliminate the tax disadvantage placed on rail companies because while they pay fuel taxes, they also have to pay the full costs of maintaining their own railbed. Trucks on the other hand pay fuel taxes but their roadbed, the highways, are maintained at public expense.

Such a public track authority could charge user fees to rail companies based on the use they make of the tracks and as a result could be self–financing. At some point in the future even the public track authority could be privatized.

The Canadian Chamber of Commerce supports a fully user pay rail infrastructure. It had this to say in its 1994 submission to the special joint committee reviewing Canada's foreign policy:

> Canadian businesses are increasingly pointing to an unlevel playing field between the Canadian and U.S. commercial environments—.One tangible example among many can be found in the Canadian transportation industry. Rail, for example, provides the most economic mode of transportation for a large part of Canada's freight and for many shippers is the only cost effective mode. It is fundamental to Canada's trade, moving 40 per cent of Canada's exports and provides a fully user pay infrastructure not liable to ongoing public funding.

Finally, I would like to comment on the importance of the port of Churchill to the farmers of Saskatchewan and Manitoba. The privatization of CN should be seen as an opportunity to privatize, expand markets, modernize and increase exports and imports through the port of Churchill.

This will take more than just the privatization of CN. It will take the co–operation and likely the privatization of both VIA Rail and Ports Canada. It will take the co–operation of the federal government, the governments of the provinces of Manitoba and Saskatchewan, and the co–operation and support of every community and producer whose future will be improved by taking advantage of the most cost effective shipping route for bulk commodities to our customers in Europe, Africa and South America.

I respectfully ask the government not to look at the Churchill line and the port of Churchill as a liability but as an opportunity requiring creative thinking and a co–operative creative privatization strategy. I hope to have an opportunity to comment on a few of these ideas in future debates on Bill C–89.

I would like to close with the comments Dr. Pirie made at the 1987 Fraser symposium. He describes the most exciting part of the privatization process. He said:

> You will find privatization enables you to bring opportunities to ordinary people. It gives your citizens a chance to take part in the wealth creating process. It speeds up economic growth. It cuts the costs of government. It turns losses into tax revenues. In Britain, it is ending the old politics of division—the old politics of "us who don't have it and them that do".

These are the real reasons that Reformers support privatization of crown corporations.

• (1255)

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I would like to begin by commenting on the process here. As I understand when the procedure for referring a bill to committee before second reading was thought about in the standing committee on procedure some time ago, frankly I do not think this was the kind of bill we had in mind for referral to committee so early on. In my judgment this is the kind of bill on which there should be a full second reading debate on the principle of whether or not CN should be privatized.

I would like to register my objection to what I would consider to be a misuse of this particular procedure. Presumably it is in order to avoid just that kind of full scale debate about the privatization of CN, although I do not know why the government would bother to avoid it. Obviously there is a great deal of agreement between itself and at least the Reform Party on this measure.

Also, the government has an obligation to instruct or ask the committee, whatever is appropriate, to consult with the communities and other stakeholders that will be affected by the privatization. Just to have the hearings in Ottawa without going to Winnipeg and other places where people have good reason to be anxious about the effect of the privatization of CN is a mistake. It is certainly something the government should reconsider although I do not expect it too. It seems to be in an unholy rush to have this all over and done with, a rush which I do not understand.

This is a very sad day for me. I will have been in this House 16 years come next week. I have spent those 16 years defending and promoting the role of CNR as a publicly owned railway compa-

ny. I had hoped and for many years I had thought that this day would never come. I certainly did not expect it to come under the auspices of a Liberal government.

At times I felt if the Conservatives had been re–elected that at some point they would have done this. I remember back in 1978 when I was just a candidate for Parliament and had not yet been elected. I was critical of Harvie Andre, then a Conservative member of Parliament for Calgary for his proposal to privatize the CNR. I always thought that this was something in the back of the collective Conservative mind. The fact that it is happening now under a Liberal government to me simply makes the point—I wonder if the Bloc Quebecois could have their caucus meeting somewhere else, Mr. Speaker. I am trying to make a speech.

[*Translation*]

The Acting Speaker (Mr. Kilger): Order. Our colleague is seeking the co–operation of the House. I would ask those who wish to talk to do so outside the House if possible.

[*English*]

Mr. Blaikie: The fact that this is now happening under a Liberal government is proof positive to me of the consistency and the continuity of the corporate agenda which involves deregulation, privatization and free trade. I have to say that even I, and I have been here for a long time and know just how devious and how flexible shall we say the Liberal Party is, find the initiative taken by the government for the privatization of CN to be deeply surprising and deeply wounding.

In my own case, I do not think there is a person in my family for three generations who has not worked for the CNR at one time or another or worked there their entire life. That is true of a lot of people in my home town of Transcona where the main back shop for the CNR is.

• (1300)

I understand the position of the Bloc Quebecois in defending that part of the legislation which calls for the retention of Montreal as the location for the headquarters of the new privatized CN. However, I hope it will be equally understanding when it contemplates my anger that my community is not protected in the same way. Transcona is every bit as much a part of the history of the CNR as Montreal, going back to pre–CNR days when the shops began to be constructed in 1908 and 1909 around which the town of Transcona was created.

I object to the notion some people are protected by this legislation and others are not, that Montreal is protected; where the headquarters of the CNR is and will be is protected. Transcona's role in the life of the CNR is not protected. Presumably Transcona shops can be sold, cannibalized, balkanized, anything can happen to them. This legislation does not even acknowledge the existence of that place. Therefore I would like to register my objection to that.

I find it doubly insulting, offensive and tragic that not only is CN to be privatized but it could very well be sold to a variety of foreign interests. I see the solicitor general across the way. I remember being inspired when I was yet a high school student by the Gray report on foreign ownership of the Canadian economy. We have come a long way since then. We have come a long way since we hoped to repatriate elements of our economy that were under foreign ownership. Now we have a Liberal government, of which that same member is a member, privatizing and at the same time making it possible for foreign interests to own significantly Canadian National.

There is nothing in the bill to prevent the wholesale dismantling of the CNR or its being broken up into a number of fragments and sold off. I just finished reading this bill carefully and there is nothing in it to prevent an informal alliance of interests by which four or five American railways or other companies could buy 15 per cent each of the CNR and through that natural convergence of interests that does not fit any of the legal descriptions we find in the bill manipulate the future and the nature of the CNR to their own advantage in a way that may not be to the advantage of Canada.

Perhaps that is the point. Perhaps it is passé to talk about Canada. Perhaps it is passé to talk about making the economy or the marketplace accountable to something called the country or something called the public interest. Over time we have seen that notion erode and finally, I think with this bill, completely fall away so that voices like mine sound vaguely romantic or unrealistic in this context.

Nevertheless, I think I speak for a notion of the country which many people still cherish and which they regret seeing disappear as a result of this.

• (1305)

There is no provision in here for the future of VIA. It says the new CN can continue to charge VIA whatever it pleases. I would like to have seen something in here which would have demanded some accountability for what the new company would charge VIA. Is this to be the way VIA will disappear because the new company will charge VIA rates not tenable and therefore the next thing to go will be VIA? I would like not to have seen any of this but if it has to happen I would like to have seen consideration of the notion of having all the track in Canada owned by the government so that at least the government would continue to have a stake in our transportation system.

Finally, I believe none of this had to happen. I believe with the proper reregulation of our railway system the CNR and the CPR could have been healthy and viable. Instead, thanks to deregulation, thanks to imitating things happening south of the border we allowed ourselves to evolve to a point at which our railways are no longer viable.

With the appropriate policy changes on the tax side and various other changes we could have built a transportation system publicly owned on one side by CNR and privately owned on the other by CPR which would have been environmentally friendly because it would have been in favour of the railways. We have failed to do that. This will only lead to more trucking and to a transportation system which in my judgement will be less fit for the future than the one we have now.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am happy to participate in the debate on Bill C–89. You may wonder why the health critic is interested in privatization or in Bill C–89. I am interested in this matter because CN trains go through my riding; they even go through one of the largest cities in my riding.

This bill would allow the government to privatize the most symbolic of Crown corporations: CN. It is surprising, to say the least, to see how fast symbols are disappearing from Canada these days. Institutions that were previously considered a sacred trust are now faced with the sorry state of government finance.

The CBC's mandate has gradually eroded, since the government no longer gives this corporation the financial resources needed to meet its original goals. The Canadian health care system is also caught in our government's financial mess. While some still see our health care system as the great Canadian unifying project, many realize, in the light of what is happening across Canada, that the provinces can only do so much given the federal government's unilateral cuts.

Privatizing CN would remove another page from our album of Canadian symbols. No other institution has done so much to help shape Canada as we still know it today.

How many towns and regions took shape and developed around the railways? Yesterday's symbols are being destroyed by the government's financial impasse. Through this bill, the government wants to establish a mechanism that would allow it to remove one of these symbols from its public accounts.

By and large, we agree with this move. We will, however, monitor this operation very closely so that privatization does not become a mess like the recent shady deal relating to Pearson airport in Toronto. We clearly cannot let the interests of the government's wealthy financial backers prevail over those of taxpayers, who own CN. There are some justified fears that the Pearson airport mess does nothing to allay.

• (1310)

The bill says that the shares of CN will be transferred to the Minister of Transport, who will hold them in trust for the Government of Canada. On the direction of the Minister of Transport, CN will have to submit an application for a certificate of continuance under the Canada Business Corporations Act. In fact, CN will cease to exist as a crown corporation and become a business corporation.

The bill imposes certain constraints on the new articles of continuance of CN. First, the voting shares that an individual or group of persons can hold is limited to 15 per cent; second, the head office is to remain in Montreal; and third, once privatized, CN will remain subject to the Official Languages Act.

If passed, this bill would authorize the Minister of Transport to deal with shares of CN with the approval of the Minister of Finance. The Bloc Quebecois has nothing against the principle of privatizing CN. However, we hope that CN will really see its efficiency and competitiveness increase as a result of privatization, as the government claims it will. To ensure that the transaction will produce the expected level of competitiveness for the new owners, CN should not be sold at reduced price. We intend to monitor the government closely in that regard, to prevent taxpayers from making a nice big gift to a privileged few.

So, reviewing the provisions of this bill, we find certain flaws that we would like to see remedied before final approval. Clause 8 of the bill imposes a constraint on the total percentage of shares that an individual or group of individuals can hold. The limit is set at 15 per cent. On the other hand, under clause 8(5), a group of individuals known to be associates would be allowed to hold more than 15 per cent of CN shares on presentation of a mere solemn declaration to the effect that these individuals will not act in concert.

It would be up to CN management to determine whether the group in question stood by their solemn declaration and really acted independently rather than in concert. Our main concern is that this leaves the door wide open for a foreign takeover, since a holding could meet these conditions. Several companies operating independently may in fact have the same majority shareholder. This provision, combined with the lack of constraints on foreign ownership, makes us fear a possible loss of Canadian control.

It is the minister's responsibility to keep this asset, built with money from the taxpayers of Quebec and Canada, under Canadian control. It would be unacceptable, after investing billions in public funds in that railway network, to let it fall into the hands of foreign interests. CN must remain under Canadian control to avoid a rerouting of its traffic to feed American railway companies.

Clause 8(5) is unacceptable in its current form, since it allows a foreign group made up of related companies to acquire a majority of CN's shares. The only protection against an effective takeover is a decision by CN's board members to the effect that these businesses comply with their pledge not to act in a concerted manner.

As you know, a company acts first and foremost with its shareholders' interests in mind. If the companies which own CN's stocks are all owned by the same shareholder, they do not have to act in a concerted manner to do the same thing. Consequently, Clause 8(5) must be reviewed or, at least, its application should be restricted to Canadian groups.

We also object to clause 16, where railway and other transportation works, as well as every subsidiary of CN, are declared to be for the general advantage of Canada. That clause would allow the federal government to interfere in areas which fall under provincial jurisdiction, such as short–line railways. It would be totally unacceptable, as well as economically inefficient and unjustifiable, to have these railways come under federal jurisdiction.

• (1315)

These companies successfully operate sections which are considered to be unprofitable by major railway companies. They can do so because they are not subjected to the numerous federal regulations on rail transport. These companies need the flexibility afforded by provincial regulations to operate successfully. This attempt by the federal government could deter the development of such companies and could limit their number. It must be understood that each of these short lines operates on sections which were going to be abandoned. If the government interferes with the development of such short lines, more lines in Quebec and in Canada will be abandoned.

I am also concerned about the survival of existing CN subsidiaries whose activities are not related to railway transport. The minister said that those CN subsidiaries which are not directly related to rail transport will be sold separately. These subsidiaries include some Quebec companies which are currently experiencing financial difficulties. We will have to ensure that these companies can survive without CN, and that their current level of employment is maintained.

In conclusion, we will have to review major elements of this bill, so that a badly planned privatization does not result in a waste of all the money the taxpaters of Quebec and Canada invested in CN.

[*English*]

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, it is about time a Liberal government realized the private sector can operate and manage a commercial enterprise far better than government can. I have been waiting a long time to hear that.

We on this side of the House support ending government involvment in the financial sinkhole of political policy that operated CN Rail. We do, however, have some concerns about the manner in which this government is turning the former government operated financial sinkhole into a commercial operation.

As members know, when government sold off the money losing Air Canada to private interests government also wrote off Air Canada debt, which caused other Canadian airlines grievous harm. The question to be asked is whether this government will have the political courage to rid taxpayers of the money losing CN without causing unjustified harm to Canadian Pacific. Will this Liberal government act fairly, or will it continue government intervention into private industry? I fear that on both counts the answer if no.

This Liberal government has already written into this legislation interventions that will severely harm CP Rail and place manacles on the new owners, if any, of CN. This government, in its usual haste to appear to do something, has allowed the taxpayers to once again bail out previous government errors.

Instead of ending government involvement in CN, this Liberal government divorced one sector of CN holdings from the other. Instead of having taxpayers bail out debt, why is this government not selling off CN real estate assets and using that money to pay down the debt? Why is government holding on to the assets instead of sparing taxpayers further pain?

This Liberal government is asking taxpayers to forgive debt that is rightly payable by CN. They ask taxpayers to once again pay for governemnt mismanagement. This governent is also asking anyone who purchases CN to be bound by rules and regulations that will hamstring its future owners.

Why is this Liberal government making as a condition of sale that the head office for future CN owners must remain in Montreal? If this condition does not or will not make good business sense, must the future owners be shackled with another political decision? If CN is to be privatized, let the new owners be free to decide what is best for the railway and its customers.

Why does the Liberal government always preach freedom of enterprise and freedom for private business to operate in the marketplace yet always place restrictions upon private enterprise? That is anything but free. This governemnt states that private industry can operate better than governemnt in the marketplace, but then this government places cost consuming measures, such as maintaining an official languages policy, on prospective purchasers. Again, we have this government stating one goal while doing everything in its power to prevent accomplishment of that goal.

Why can this government never get it right? Why can this government not understand that intervention in the freedom of the marketplace or in constituents' lives will not encourage growth and prosperity? We on this side of the House understand fully that private initiative is the best means to economic growth and wealth and that private initiative reacting to a free market-

place will create opportunity for Canadians. Unfortunately, this government cannot or will not believe that independent Canadians know what is best for a continuation of prosperity.

• (1320)

The members opposite continue to believe that private property owned by free citizens must have government interference to be viable. With that in mind, why is this Liberal government restricting ownership by any one sector to 15 per cent of outstanding shares? What if western grain producers and operators can afford to and wish to purchase as much of CN as they can to maintain a say in what prices will be charged to move their grain to market? What if western interests want to make certain CN will charge the price that is necessary to move the grain and make a profit but prevent outside interests from arbitrarily setting extremely high rates to ship their grain? What if these Canadian interests wish to purchase more than 15 per cent? Why can they not?

Why does this Liberal government continue to talk free enterprise but always intervene in the free market? Why does the government always put up barriers to the free movement of goods, services, and enterprise? Can it not understand that its outdated measures are holding back the future growth and the competitiveness that are required to make Canada an effective force in the world market?

Several ideas have been forthcoming that would allow hard–pressed taxpayers to recover some of their investment in CN. One idea is rationalizing the CN operation for public sale based solely on offering rolling stock, trucking, and real estate for public tender and having government retain ownership of the iron highway. Taxpayers have purchased the asphalt highways in this land. Why not allow taxpayers to keep the iron highways they have purchased?

Just as government levies a fee to use the open road, a realistic fee could be charged to all users of the iron highway. This measure will allow taxpayers to receive some return on the investment that opened this land from sea to sea. This measure has been tried and found to be viable in Great Britain. Granted, some may shout that government has no place in the iron highway, and some may point out that there are wrongs to this plan, but why does this government not allow discussion on this point? This government is quick to shout that it has consulted on many items in the agenda. Why is this government afraid to consult on this measure in the House?

Do not misunderstand my criticism, Mr. Speaker. I am a firm supporter of privatization, a firm believer that private industry can operate an enterprise far more effectively and efficiently than any government. I am a firm believer that private industry can create jobs and economic wealth far better than any government. However, there are several issues in this legislation that do not offer the best value for the dollar to Canada's hard pressed taxpayers. Make no mistake, it was tax dollars that created the CN this government now wants to pass to private ownership. I have no problem with that decision. I only have a problem with the manner in which this initiative takes place.

Taxpayers deserve maximum return for their investment. Taxpayers deserve liquidation of CN real estate assets to pay down the CN debt, which may make this sale unattractive to some purchasers. Taxpayers do not deserve to have their hard earned dollars used to rid this company of one cent of debt while any asset remains.

Taxpayers do not deserve to have a hidden agenda set by this Liberal government, such as head office location or official languages requirement, which other private enterprises can forgo, to hinder the sale to and the profitability of future owners.

I believe I have raised several issues that require answers. I believe I have pointed out to taxpayers why this government is not giving them the best value for their dollar. It is now up to the government to answer those concerns, and I challenge them to do so.

• (1325)

[*Translation*]

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I welcome the opportunity today to speak on second reading of Bill C–89, whose purpose is to privatize Canadian National, a decision that was announced in the last budget and is well on its way to being implemented.

However, before this bill does what it is supposed to do, which is to privatize CN, there are a few points I would like to raise for the benefit of the Minister of Transport and his colleagues, and I am referring to the importance of the railways for resource rich regions like the Abitibi in Quebec, the riding I represent in this House. My concern is that this bill should benefit, not penalize the railways.

The railway system was one of the keys to the economic development of the Abitibi and, as we all know, was also instrumental in the development of many other resource regions in Quebec and Canada. I often wonder, when I see these small rural municipalities along the railroad tracks, whether they grew up around the railway station or attracted CN to the area so they could expand.

We have to ask whether this government, like previous governments, will again be wide of the mark with its railway development policy and this new policy of privatization.

Could it be that once again, Quebec has been the first to realize the importance of having a modern railway adapted to the needs of today's economy?

We all know that the decline of our Canadian railways is not a measure of their usefulness, since during the recent debate on

special legislation tabled by the Liberal government to put the railway companies and their employees back to work, much was made of the importance of the railways for the economy in general.

Oddly enough, the railways were called an essential national service. so that the government could force a settlement during this latest dispute, while in our region we had to fight to justify maintaining sections of the railway network in order to preserve our principal means of shipping our natural resources, our mining and forestry products.

Despite the importance of the railways, the reason for their decline is simple: no government has ever made a serious attempt to remedy the situation when there was still time, although it provided substantial grants for operating the railways.

We have been trying to placate unions for too long, instead of searching for efficient or cost–effective solutions for both the employer and the employee. What effort has this government or previous governments made to promote this means of transport over the past 20 years? Absolutely none. We can sum up the actions of the successive governments by the word "cuts" and the federal leitmotiv "we cannot afford it". Infusions of capital were certainly not the best solution, as we can see by the results today.

Over the past twenty years or more, the only notable things about the coast to coast rail system have been staff cuts, abandonment of lines and cuts to client services. Instead of investing in this great Canadian asset and creating jobs, the government is cutting.

On the other hand, the government found a way to meet the needs of western grain transporters, justifying itself by saying that we need international trade and that our wheat producers have to be competitive. Why did the government not place the same importance on the transport of wood and minerals from northern Quebec and northern Ontario?

Natural resources, and the jobs they create, are the foundation of our economy. The executives controlling rail transport in this country exhibited a flagrant lack of leadership skills. They failed to rationalize an essential service and to make it cost effective when they had the chance. They neglected their responsibilities by letting rolling stock age without replacing or improving it.

The longer they let it go, the higher the costs of getting the equipment back on track. They had gotten so behind in their upkeep and replacement of rolling stock that the situation came to a head at the beginning of the 1970s. The situation only worsened under VIA which, with the weather beaten material it inherited from CN, was never able to break even.

• (1330)

Furthermore, the leaders at the time denied the importance of also maintaining efficient, competitive and aggressive passenger service, deeming it less profitable than freight transportation and not essential because road transportation was available by car or bus. Through its policy, the government supported this situation rather than look for solutions that would put the industry back on a solid footing and would serve the real needs of the communities affected by the flood of lost jobs and services.

Is the government trying to isolate distant localities once and for all by taking away their trains, airports, TV stations and even the social programs the people have contributed to in large and ever growing measure? No study has compared the huge costs of highway maintenance with rail line maintenance in northern regions such as Abitibi, with its notorious climate. The potential end of rail transportation could mean increasingly poor roads. The people in my riding know about this problem. They are faced with increasing numbers of trucks on the road, since the railway was not competitive and lacked the services to compete with the trucking industry.

In my region, this type of transportation is causing a lot of problems, since the highways were not designed to take such heavy loads. It is always the same problem, unfortunately—a lack of consultation. Government makes decisions without consulting the regions and without taking their particular needs into account. Even today, privatizing CN as outlined in this bill does not guarantee that services will be maintained in outlying areas. In spite of this, the federal government gives itself the power to interfere in short–line railway operations through clause 16 of Bill C–89.

This is totally unacceptable, since short–line railways were created thanks to the initiative of rail staff and unions, who took the risks that our leaders had avoided taking in the past. These people feel that some sections abandoned by CN and the government can become profitable through sound management. To fulfil their potential, short–line railways also needed the operating flexibility that only provincial regulations could provide.

It would be dishonest for the government to discourage the creation of short–line railways, or to try to hamper the development or operations of those already in existence by interfering whenever it feels like it. The short–line railway in my riding of Abitibi is a very good example of a CN section. It meets with the Lac–Saint–Jean line. We managed to rescue it from abandonment with all the attendant advantages for our region in terms of jobs, economic benefits, development, transport, and so on.

I would also like to take this opportunity to address clause 8 of this bill. As it now stands, this clause is unacceptable. Let me explain. The government plans to sell most of CN, an institution over 100 years old, through the largest share issue in Canadian history, which would amount to some $2 billion.

Like my Bloc colleagues, I deplore the fact that this government did not include in the bill a clause explicitly prohibiting foreigners from holding a majority of shares. Today, I will try to explain to the Minister of Transport and all his colleagues how important it is to encourage local purchase by local investors if possible or any concrete gesture through short–line railways.

Railways have played an important part in the development of my region and many others, and they can still play this role if we make the effort of identifying the needs of people in the regions and helping them meet these needs. May I point out that we are not dependent on the U.S., and yet the danger is real. The presence of Goldman Sachs, an American firm, among the brokers appointed by the government confirms the government's need to issue shares outside the Canadian stock market.

We also know that American investors are used to assessing railway companies. There are at least a dozen on the stock exchange list in the U.S., while in Canada, there is only CP, hence the risk that less informed Canadian investors may not recognize a good deal when they see it. That is why I propose that clause 8(5) be deleted or at least amended to apply only to Canadians.

To conclude, if the railway system was the connecting link for all the regions of this country, and promoted its development, why is it that today, on the eve of the 21st century, we are not able to find innovative ways of making it profitable? The railway is an essential public utility, connecting people and businesses.

• (1335)

If a committee to save the railway system were set up, I am sure that we could come up with solutions, because I am still convinced that solutions do exist and that short–line railways are part of the solution. Personally, I think that privatizing CN is not a bad idea in itself since investors are needed to boost the rail industry if it is to become more performing and modern. And I think that regional business functions may offer solutions.

Privatizing must take place in the interests of all stakeholders: customers, employers and employees. In terms of profitability, CN is not doing as bad as in 1992, with estimated profits for 1994 between $240 million and $250 million.

Perhaps we have the time and resources to make the right choices. Let us take the time to weigh up the pros and cons of Bill C–89 to try to make up for the mass of not so great decisions made by rail officials and our governments over the past 20 years.

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I am pleased to participate in the debate on Bill C–89, which seeks to privatize CN. First, it should be remembered that the Canadian National was always a symbol of unity, with its lines crossing the country from east to west and going deep into remote regions. However, that symbol is disintegrating, just like federalism, and no longer meets the aspirations and needs of Canadians.

I agree with the Minister of Transport when he says that, given its current structure, CN is not a profitable venture. And CN must remain competitive. Maintaining our national railway in the long term implies government ownership in the short term.

For reasons of profitability, and in an effort to find solutions to eliminate CN's growing deficit, the government must ensure the maintenance of an adequate service, particularly in remote areas which are not served by any other public means of transportation.

Let me give you some figures. My riding of Champlain is served by two CN–operated railroad lines, Montreal–Senneterre and Montreal–Jonquière. According to a 1992 Via Rail survey on the origin and destination of travellers, 56 per cent of passengers on the Montreal–Senneterre line were either going to or coming from a remote destination. Twenty two per cent of the respondents said that their point of departure or their destination was otherwise only accessible by bush roads. In the early nineties, Transport Canada found that 38,000 trips were made on that line, with over 60 per cent of them originating or ending in remote communities or places otherwise only accessible by bush roads.

The same survey showed that 26 per cent of all passengers on the Montreal–Jonquière line were going to or coming from a remote community. Seven per cent of respondents said that bush roads were the only alternative. In 1992, Transport Canada found that close to 20,000 trips were made on the Montreal–Jonquière line, with over 26 per cent of them originating or ending in remote communities or places otherwise only accessible by bush roads.

It should be noted that, after a decrease in the number of users in 1990, there has been a significant increase, in the last two years, in the number of travellers on these two lines, in spite of a lack of marketing and poorer services, a well–known fact. Just think of the environmental disaster resulting from the derailment in the Tawachiche ZEC, close to the municipality of Sainte–Thècle, in my riding of Champlain.

Of course, the railway service in the southern part of these two lines has to compete with other means of transportation. Given the length of the trip, the unaccommodating schedules, their infrequency and our individualized travelling habits, the train in its current incarnation is not competitive.

However, it does contribute to the autonomy of residents of remote areas, it is an efficient evacuation method in case of natural disaster and it could be at the heart of economic development or promote tourism, if it were more enthusiastically supported and its publicity campaigns better targeted.

• (1340)

After reading Bill C–89, one has to wonder how the privatization of Canadian National will affect the maintenance of infrastructures in remote areas and one has to ask oneself if the Minister of Transport can guarantee these people access to public transportation where roads are not adequate?

This question is even more pertinent, since clause 16 of the bill before us gives the federal government the right to meddle with the property of short line railways. It is particularly unacceptable and even economically inefficient and unjustifiable for the federal government to take over all or even some of these small operations.

One of the main reasons that these short line railways can make a profit operating short lines is that they are not heavily regulated by the federal government. These operations need the flexibility which they enjoy under the jurisdiction of the provinces. This federal initiative could discourage the creation of short line railways and limit their numbers. We must not forget that each of these operations saves a railway line from abandonment.

If the government impedes the development of these small operations, an increasing number of kilometres of track in Quebec and in Canada will be abandoned.

Another aspect of Bill C–89 which makes me fear for the future of remote areas is the lack of controls regarding foreign takeovers of CN holdings.

The aim of the Minister of Transport in presenting this bill is highly praiseworthy, but his prime obligation is to ensure that all Quebecers and Canadians, who paid the cost of building and operating the national railway, continue to have the service available to them. One way for this to happen would be to limit ownership of CN to Canadian interests.

Clause 8(5) is unacceptable in its present form, because it allows a foreign group of associated businesses to acquire a majority of CN shares. The only thing blocking an effective takeover in such a situation is the decision by CN directors that the companies in the owner consortium will stand by their statutory declaration to not act jointly. A company acts first and foremost in its own interest and in the interest of its shareholders. If the companies owning CN's shares have common shareholders, they would not need to act jointly in order to achieve the same end.

Therefore, clause 8(5) must be deleted in order to limit ownership of CN to Canadian groups.

In closing, I would remind the Minister of Transport that he is responsible for keeping control of Canadian National within Canada, because it was built with the tax money of Quebecers and Canadians. With billions of dollars of public money already poured into this rail system, it would be intolerable if it were now to be taken out of the hands of Quebecers and Canadians. Furthermore, if we are to keep CN rail traffic from heading south to the American rail systems, it is vital that CN remain under Canadian control.

In the past two quarters, CN has recorded profits of over $200 million. Now that it is beginning to make money, we sell it. CN must be well managed, serving the needs of its clientele and of the remote regions.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I welcome the opportunity today to speak to Bill C–89 which, as we know, will have the effect of privatizing Canadian National.

This bill will also determine the mechanism that will be used by the government to implement the process. As soon as the legislation is passed, CN will no longer be a crown corporation. It will become a business corporation.

When I began to examine this bill, I soon realized that some of its clauses were cause for concern.

• (1345)

Clause 6 of the bill allows the transfer of CN property to the government. Under this clause, the government will be able to take possession of CN affiliates and real estate not directly related to the railway sector.

We also know that the minister made it clear he wanted CN to keep only those assets directly related to rail transport. Assets related to other sectors will be privatized separately.

I would like to take as an example the intermodal station in the riding of Jonquière, next door to my own riding. If the station is closed, all freight will be transferred to Quebec's highway network, more specifically the highway through the Parc des Laurentides wildlife reserve.

We know the Minister of Transport has no long term policy for the road network, which means that the entire road network in Quebec will be penalized. Safety will be a casualty as well. People will have to cope with larger numbers of heavy trucks on our roads.

To me, this clause rang some alarm bells. We know that CN affiliates include businesses that are not in very good financial shape but still manage to do the job thanks to CN.

One wonders whether these businesses will be viable without CN and whether they will maintain the same employment levels. Will these levels be maintained? I think this is a very important question.

Eighteen months ago, throughout the election campaign, the Prime Minister's main platform was creating jobs for the people of this country. Eighteen months later, we see this promise was not kept. Even worse, in the last budget the Minister of Finance failed to include measures for direct job creation. I would even

go so far as to say that the budget's impact will be the reverse of what was promised in the red book.

In my riding, things are very bad, with over 30 per cent of the population on unemployment insurance or welfare. Of this group, a number of people have decided to give up looking for jobs. They have stopped looking for jobs because there are none. We are gradually killing off an entire generation.

Jobs in CN affiliates must be guaranteed so that we do not get thousands more unemployed people looking for jobs. This is particularly crucial when we realize that this government is doing little or nothing to deal with this problem.

The Prime Minister seems to have forgotten the golden rule which says that when you are the boss, never take on a task your assistant will not be able to do. Let me explain. Clearly, neither the Minister of Labour nor the Minister of Finance are in a position to keep the government's promise that it would put people back to work and provide for economic recovery.

• (1350)

CN itself has concerns about this bill. I will take the specific example of AMF Technotransport Inc. of Montreal, which employs 1,300 people but, on its own, without the support of CN, it may get into financial difficulty, which will add to the unemployment statistics of the province.

Again, this bill does not contain any provision to protect jobs in subsidiaries. This could be very dangerous, leading to jobs cuts, layoffs and perhaps even businesses closing down. We cannot afford this kind of luxury.

Another clause that would require further consideration is clause 8. My colleagues mentioned it earlier, but I would like to address it anyway, particularly as regards paragraph 5, which, as it stands, authorizes a foreign group of corporations which are associates to acquire majority control of CN.

The only thing that stands in the way of an effective takeover in such circumstances under this clause is the judgment of the CN board of directors, which they have shown in negotiations, and collective bargaining in particular, with employees at every level. Collective agreements were signed that were considered generous at the time, but then the company only tried to take these hard won rights away from the workers later on. They tried to do so by seeking legislation like the bills that were brought before this House a few months ago. Knowing how much common sense the CN directors responsible for determining whether the corporations in the owners group are complying with their statutory declaration not to act in concert really have, I doubt this can be achieved.

Everybody knows that corporations are guided first and foremost by the interests of their shareholders, and that is absolutely normal. So, if the corporations that own CN all have the same shareholders, they do not need to act in concert to act along the same lines. It is therefore essential that clause 8 be amended.

Need I remind you that this railway system was built with money provided by the taxpayers of Canada and Quebec? It would be unacceptable for control over a railway in which billions of dollars of public money were invested to be lost to Canadians and that CN traffic be redirected toward U.S. rail systems.

Finally, at a time when the provinces are asking the federal government to give them more flexibility and to withdraw more and more from certain jurisdictions, clause 16 authorizes the federal government to interfere in a wide variety of provincial jurisdictions through short–line railways.

In closing I would like to add that these entities should be protected so that they can be sold to private sector enterprises, but enterprises truly owned by Canadians and Quebecers.

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, Bill C–89 is a very important bill to the railway industry and for the future of transportation in the country. I appreciate the number of members who have spoken and the vast number of questions which will be answered in due course in the committee hearings to commence tomorrow.

I want to extend appreciation to the opposition parties, the official opposition, the Bloc Quebecois and the Reform Party, for their support in principle of the bill. I understand it is conditional support at this point in time and that we will endeavour to answer their questions at committee. I should point out that the NDP continues to be in a time warp. It believes the government must own and operate everything to ensure that it is run efficiently. Most members have indicated that we have a tremendous opportunity to create a new CN with greater efficiencies.

• (1355)

I highlight two questions that have been posed to the government. The first concerns no restrictions to foreign investment. The Canadian taxpayer has helped to build Canadian National and the Canadian taxpayer deserves to get the maximum benefit for that investment. Therefore the experts have indicated to us that to ensure the maximum benefit, one cannot impose certain restrictions on the share offering to try to get the best possible value for Canadian National.

Second, we have put a restriction on individual shareholdings to a maximum of 15 per cent. A number of opposition members have indicated that certain unaffiliated or unrelated companies could band together to essentially take over Canadian National. I want to say with regard to that concern that the experts have told us it is impossible. The reason we have drafted the bill with

such detail is to ensure that unrelated companies and individuals could not band together to essentially have control of Canadian National.

I want to make two other points. The Minister of Transport indicated this morning that regulatory reform would be coming up soon. It is as important as CN's privatization to ensure that we have an efficient railway transportation system.

We all agree that transportation is key to our competitiveness, to creating jobs and to exporting. That is why we want to create a national, affordable integrated railway system in the country that will allow us to be able to move goods and people as efficiently and as effectively as we possibly can, and to ensure that those jobs remain in the country and that we continue to export.

Bill C–89 is going to committee and when it comes back I am sure we can look forward to the support of all members of the House.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 73, it is my duty to interrupt the proceedings and put forthwith the question on the motion now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

[*Translation*]

And the division bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45(5)(*a*), the division on the question now before the House stands deferred until 6.30 p.m. today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

[*English*]

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

HEARING AWARENESS MONTH

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, you might agree that in your chair you are more often a listener than you are a speaker, but not all Canadians share the luxury of hearing as you do.

May is Hearing Awareness Month and as such is an occasion to promote greater public understanding of Canadians who are deaf or hard of hearing. It is also a time to help those with related communication disorders and to emphasize the importance of protecting our hearing.

More than one million Canadians have a hearing loss. For these people communication is not a simple task. It means using teletypewriters, close captioning for television, listening devices, sign language and oral interpreters.

This year the hearing awareness campaign will focus on access and communication. Hearing organizations will be working together to promote programs and services that improve the lives of the hearing impaired in Canada.

Please join me in saluting the Canadian Hearing Society and the Canadian Association of Speech Language Pathologists and Audiologists for their devotion to improving the lives of Canadians with hearing difficulties. Thank you all for listening.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, on April 25, I attended the official opening of the largest copper mine in operation in Quebec, the Louvicourt mine, near Val–d'Or.

This mine, which will employ over 350 people for more than 10 years, is the result of a roughly $300 million investment by partners Aur, Teck and Novicourt. This impressive achievement shows how important government assistance, in the form of flow–through shares, is to mining.

We deplore the fact that the government has rejected the Standing Committee on Natural Resources' recommendation to enhance the federal contribution to the flow–through share system. The Minister of Natural Resources should be reminded that the government's involvement in mining is not an expenditure but a profitable investment that would benefit a number of mining regions in Canada and Quebec as well as thousands of workers.

S. O. 31

[*English*]

LIBERAL PARTY OF CANADA

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the Liberals in this House are very proud of their connection with the Ontario Liberals. They believe Lyn McLeod is going to be the next premier of Ontario.

The federal Liberals support the Ontario Liberals' red book policy. The Canadian finance minister has gone so far as to interfere in the provincial election by ridiculing Ontario Tory policies. However, speaking of ridicule, I wonder just how proud Lyn McLeod is of the federal Liberals. Why does she not ridicule federal Liberal policy that will see the continuation of the MPs' very own porky pension plan?

Ontario Liberals understand the revulsion that Canadians feel toward their MPP pension plan and say in their Ontario red book they are going to scrap the porky plan.

Meanwhile, federal Liberals are poised to vote for their pension plan. They want to hide it from Canadian taxpayers in committee, which makes me wonder if federal Liberals are proud of Lyn McLeod. Is she ashamed of them?

* * *

CN RAIL

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the Liberal red book highlighted the importance of Canada's infrastructure to our economy. Yet the Liberal government has done another about face by selling off CN Rail which takes away a vital link in our transportation infrastructure.

The Canadian people will no longer be participants in our rail economy, the transportation link that built Canada.

In preparation for the sell–off, CN laid off 11,000 Canadians. As a former trainman for CN Rail, I saw firsthand the good work done in bringing grain and other Canadian products to market. I am one of thousands of Canadians who are deeply concerned about even further job loss caused by putting CN Rail on the auction block.

With no rules on foreign ownership, CN is destined, with the Liberal government's blessing, to be purchased by individuals and corporations with no interest in Canada's future. The Liberal government is exchanging an east–west transportation system for a north–south system that will see even more foreign control of the Canadian economy.

Bill C–89 brings to an end Canadians' ownership and control of their own railway and only leaves further job loss and more debt for Canada.

PORT PERRY CADET CORPS

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, we are being visited today by the Port Perry Cadet Corps. This corps of young men, who attend both elementary and secondary school, has a long history of achievements.

Having been formed in 1898, they are now fast approaching their 100th anniversary. The purpose is not to train soldiers but to train young men for the responsibilities of citizenship.

Being a part of the Department of National Defence, they have expressed to me their concerns about possible reduced funding, especially since they are often dependent on the local forces base, many of which are now closing. They also expressed to me the need to get funding down to the level of local decision makers. Highly centralized authority often makes inappropriate decisions with respect to local needs.

• (1405)

I would like to thank Major Doodley and the 40 young men of the Port Perry Cadet Corps who have made such a major contribution to our community.

* * *

INTERNATIONAL DAY OF FAMILIES

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to recognize the United Nation's International Day of Families which is being celebrated today.

The United Nations calls the family the most crucial link between generations, the purveyor of human culture, the primary source for love, sustenance and shelter. I too call the family the most important grouping of people in our society. On this day to honour families I want to take a moment to honour my own.

The family unit is fundamental to our society. Through our families we strive to make the world a better place. Through our families we hope to achieve harmony in the world by promoting healthy values and instilling tolerance, understanding and compassion in our children.

Families struggle to maintain cohesiveness in these stressful times of social and economic change. Households are changing but the family unit remains intact and strong as each member supports the others.

The family is our strongest bond. I invite my colleagues to join with me today in honouring our families.

NATIONAL MINING WEEK

Mr. Elijah Harper (Churchill, Lib.): Mr. Speaker, the second week of May is National Mining Week, when we focus attention on the contribution this industry makes to Canada.

I would like to focus on mining in my constituency. This industry is the main employer in many of our communities. The mining industry makes a significant contribution to the northern Manitoba economy through salaries and royalties.

I would especially like to pay tribute to the men and women of northern Manitoba who work hard in our mines and smelters. They are an important part of our northern community and they deserve our appreciation.

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[*Translation*]

POWER CORPORATION

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, at the Power Corporation stockholders' meeting, chairman of the board and CEO Paul Desmarais, who is also the father–in–law of the Prime Minister's daughter, said that, in the current circumstances, it was not in his corporation's best interest to invest in Quebec.

We learned at the same time that Power Corporation had increased its stake in Southam, which is about to build a $55 million printing plant for the *Gazette*. Bloc members deplore this blackmail campaign aimed at Quebecers on the eve of the referendum campaign.

Everyone knows that, because of its influence, its family ties, and the professional past of its senior executives, Power Corporation has benefited from orders–in–council regarding satellite broadcasting that were custom–made for one of its subsidiaries, Power DirecTv.

Are we to understand from Mr. Desmarais's declarations that he is now returning the Liberal government's favour?

* * *

[*English*]

NATIONAL POLICE WEEK

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, this week being National Police Week, I acknowledge the RCMP detachment in Burnaby, British Columbia, Canada's second largest municipal contract detachment, with approximately 240 officers. In every aspect, this detachment exemplifies what is meant by serving the community.

On January 15 the local RCMP began a community policing pilot project, forging a new relationship with citizens. By dividing the city into four districts, the force will eliminate a central command, making officers more accessible to citizens, essentially assigning each officer to his or her own turf. By providing a greater presence in the local neighbourhoods, through full service community stations, storefront contact offices and a restructuring of the organization, this five–year strategic plan is sure to make a difference.

There is much concern for safety on our streets and in our homes. I congratulate the Burnaby force for its innovation and diligence, and making my part of British Columbia a safer place to live.

* * *

[*Translation*]

NATIONAL POLICE WEEK

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.): Mr. Speaker, the week of May 14 to May 20 marks the 25th anniversary of National Police Week in Canada, an event aimed at strengthening co–operation between the police and the public.

As you know, the Liberal government cares about the safety of Canadians. We must ensure that this co–operation between all members of the community remains strong, to ensure that Canadian law enforcement services continue to be efficient.

[*English*]

The police play a vital role in public safety and security and this year's police week theme "Partnerships with the Community" underscores this special relationship.

To mark the 25th year anniversary of police week, police services across the country are undertaking activities to underscore the importance of partnerships and co–operation between the police and the community in the fight against crime.

[*Translation*]

Police forces in Canada do an extraordinary job. Their achievements must not go unnoticed, and this is why we invite all Canadians to pay tribute to those who work tirelessly to protect them.

* * *

• (1410)

INTERNATIONAL DAY OF FAMILIES

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, today, May 15, is recognized by the United Nations as International Day of Families.

This day provides us with an opportunity to reflect on the new realities facing the modern family. Social, technological and economic changes have significantly changed the make–up of the so–called traditional family unit.

This day must be an occasion to reflect on the evolution of the major role played by the family, which is the cornerstone of our society.

In spite of above–mentioned changes, one thing remains certain: generations follow one another, but the family will always play a fundamental role by providing our children with an essential and special environment to foster their development.

On this International Day of Families, I wish everyone the very best.

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CULTURAL COMMUNITIES

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, last Friday, five members of the Bloc Quebecois' commission of cultural communities resigned to denounce the fact that they were being manipulated by Bloc officials.

With their resignation, the cultural communities representatives wanted to show that they would not have a real role to play in an independent Quebec.

The few reactions from Bloc spokespersons following these resignations clearly show the deep malaise which exists between the Bloc and the cultural communities.

[*English*]

This is one more example of the failure of the Bloc as well as the PQ to sell their separatist option to Quebec's cultural communities. These Quebecers have seen through the PQ's fearmongering and desperate tactics.

[*Translation*]

Quebec's cultural communities deserve respect; they do not want to be ignored. Quebec's future will not be decided without their input, in spite of what the Bloc and the PQ may think.

* * *

INTERNATIONAL DAY OF FAMILIES

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, today, on the International Day of Families, the Bloc Quebecois wishes to emphasize the importance of this primary social unit for each and every one of us.

Many believe that the family is the place where the individual is formed, for better or for worse. That is why it is so important to aim for more equality in our society, and I mean not only equal opportunities but also some basic equality in living conditions.

In 1993, more than one million families in Canada were living below the poverty line. For us as elected representatives, this should be a day to reflect on what we hope to achieve in this House and how we can improve the lives of families in Quebec and Canada.

* * *

[*English*]

ONTARIO ELECTION

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the Minister of Finance has gone on the hustings for Lyn McLeod and the son of red book. In a speech to the Liberal faithful, the minister heaped praise on the Ontario Liberals for setting a four–year target for the elimination of the deficit, calling their so–called strategic spending cuts laudable and their tax cuts sensible. This is very ironic. In a classic case of Liberal doublespeak, it is another example of do as I say not as I do. It is just like their MP pension plan reform.

Despite constant Reform pressure, the minister has repeatedly refused to set a date to eliminate the deficit and has actually increased taxes by over $1.5 billion. Liberals love taxes so it is not surprising that they would tax logic along with everything else.

Not to worry. The son of red book will end up with the garbage with its federal parent. Ontario voters will have the sense to realize that it is only by the application of the sound Reform principles of deficit elimination, debt reduction and the resultant tax reductions which will ultimately work to—

The Speaker: The hon. member for Bruce—Grey.

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OFFICIAL LANGUAGES

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, within the last number of days I was troubled by some incidents in connection with a francophone woman by the name of Johanne Harvey living in my riding of Bruce—Grey, in the city of Owen Sound of which I was the mayor.

I want to assure the House that the city of Owen Sound and the Government of Canada are strongly committed to supporting linguistic minorities across the country and promoting language duality as an essential element of Canadian unity and identity.

We will continue to speak out on behalf of tolerance and ensure that there are harmonious relations between linguistic communities in Canada.

Our actions over the past year as a government are clear. We have reaffirmed the vision of Canada in both our language and in our community. We want to make sure all Canadians feel at home right across this great country.

• (1415)

On another note, I have been in contact with the mayor of the city of Owen Sound and he takes the matter extremely seriously and will look into it personally.

ONTARIO ELECTION

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, with only 24 days to the Ontario election, Bob Rae is getting desperate.

Last Friday in Thunder Bay the premier and his nearly defunct party reached a new low in campaign dirty tricks. In the middle of an announcement by Liberal leader Lyn McLeod, a member of the NDP's own provincial council, Alex Ng, rushed the podium, screaming in protest.

Later Mr. Ng admitted to the media he was ordered to disrupt the event by the NDP's central campaign, which had paid his flight to Thunder Bay.

The premier apologized for the incident and announced that Mr. Ng was withdrawing from the campaign. Mr. Ng's career as a paid protester may well be over but at least he had a good start on Bob Rae, who will start looking for a new job on June 9.

ORAL QUESTION PERIOD

[*Translation*]

CHECHNYA

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, although the Prime Minister says he is concerned about human rights issues, on his recent trip to Russia to attend ceremonies celebrating the 50th anniversary of V–E Day, it was clear once again that the Canadian government's only priority is trade.

In fact, at the very moment when the Russian army continued its attacks in Chechnya, the Prime Minister was discussing a Team Canada trade mission with his Russian counterpart.

My question is directed to the Prime Minister. Considering the foregoing, would the Prime Minister agree that his attitude and that of his government, which subordinates human rights to strictly commercial interests, does not give the Russian authorities any incentive to show more respect for the rights of the Chechen who are now being attacked by the Russian army?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everyone knows that I raised the issue of the people of Chechnya with President Yeltsin, and I told him personally that his government's attitude did nothing to further Russia's interests in the world.

We were there to celebrate the 50th anniversary of V–E Day. The Russians made an exceptional contribution since 27 million Russians died during the war. We accepted the invitation as a matter of course.

My colleagues in the Western world and myself refused to attend the military parade, but we agreed to attend a parade of veterans who fought during the last war. To show our disapproval of what is now happening in one part of Russia, we boycotted their biggest parade.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I am prepared to accept the Prime Minister's reply, but if he really wanted the Russian authorities to take seriously his concerns about human rights violations in Chechnya, why did the Prime Minister not tell them in advance that he would refuse to attend the military parade, as a form of protest, like other heads of state who were not afraid to speak out?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I made it quite clear, although I may not have had a chance to announce my intentions publicly, but in communications with other heads of state, we agreed we would boycott this big military parade, and we did. The Russian government was well aware that Canada would not attend this parade.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister said President Yeltsin gave him assurances that the Russian army had already been replaced by a normal police force in Chechnya. However, immediately after his departure from Russia, the Russian army was again bombing Chechen civilians.

Considering the false assurances the Prime Minister received from the Russian head of state, how does his government intend to put pressure on the Russian authorities to stop human rights violations in Chechnya?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have protested on several occasions. My colleague, the Minister of Foreign Affairs, brought this matter up several times with his Russian counterpart. We are putting as much pressure as possible on the government. And if the problem persists, I will have another opportunity to launch a protest when I meet Mr. Yeltsin in Halifax next month.

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TELECOMMUNICATIONS

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is for the Minister of Industry.

Another item to add to the Power DirecTv file is the submission this company made to the government dictating the steps to be taken to reverse the CRTC's decision allowing Expressvu to begin broadcasting as early as next September but not Power DirecTv.

Will the Minister of Industry admit that he received Power DirecTv's submission and that he dutifully followed all of the instructions contained in the document, which demanded that

the order be tabled in the House before April 24 to prevent Power DirecTv from being put at a disadvantage?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, although this information is a little dated, I am pleased to answer the hon. member's question. If he had read the document, he would have noticed that we did not follow Power DirecTv's recommendations. In fact, we received many other recommendations in that period. We did not accept all of the suggestions of Power DirecTv, but we did accept all of those made by the Consumers' Association of Canada. The recommendations we accepted were the ones made by that association.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, that is a very interesting explanation, but let us look at the facts. And, given the appearances, the minister should find this case indecent.

Does he not find it indecent that Power DirecTV, a company owned by the Prime Minister's son–in–law, not only tried to instruct the government on how to settle an issue to its satisfaction, but that worse yet, the government, we have every indication to believe, scrupulously followed its orders and issued a decision tailored to the requests of the company?

Mr. Speaker, my question is for the Prime Minister.

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I will repeat for the hon. member. He seems to have failed to read a document which I think has been in the public domain.

Certainly others have quoted from this submission received by the government from Power Direct, one of many received after the expert panel's report was tabled. In the case of this one, which asked that we make changes to the direction and table it on April 24, he will know we did not make changes to the direction and we did not table it until April 26.

On many important elements we did not take its recommendations. What we acted on were the very general and very supportive recommendations of the Consumers Association of Canada, Friends of Canadian Broadcasting, ACTRA, et cetera. We took our recommendations from people who are concerned about competition in this field in Canada.

* * *

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the Minister of Justice has assured us Bill C–68 is constitutional. He has assured us that Canada's aboriginal groups have been made part of this consultation process.

Last Friday Mr. Mosley, the assistant deputy minister, stated consultation with the James Bay Cree took place when the government provided the country with its white paper on firearms control and through the issuance of Bill C–68. He denied that constitutional rights of aboriginal people had been violated.

Is the justice minister's definition of a consultation the mere provision of what he intends to do with firearms legislation? Does this explain why he has stated repeatedly he has consulted with various groups and individuals including the James Bay Cree, the attorneys general of Saskatchewan, Alberta and Manitoba and the ministers of justice from Yukon and the Northwest Territories, who have all stated they were not consulted by the justice minister?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I engaged in consultation for many months before tabling last November 30 the government's proposals, before tabling Bill C–68 on February 14 of this year.

• (1425)

This consultation was not done through officials. It was not done through publishing an options document. It was done personally by my visiting all 10 provinces and both territories to meet with national, regional and local firearms groups as well as representatives of aboriginal communities.

The views we heard during that consultation process were carefully and fully reflected in the legislation we put before Parliament.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I have a letter signed by Ovide Mercredi to the minister. He says: "For God's sake, respect our rights".

Bill C–68 has some draconian search and seizure provisions. The police are given enormous powers and discretion to inspect for firearms and search and seize without warrant. At one time Canada had writs of assistance which were in effect permanent, blanket search warrants. They were withdrawn and these kinds of searches are no longer allowed.

Is the minister intending to bring back something even more reprehensible than writs of assistance through his so–called inspection provisions?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am fully aware of the hon. member's recent enthusiasm for aboriginal rights as well as his recent discovery of the importance of the Canadian Charter of Rights and Freedoms.

He is a very hard working member of the very parliamentary committee now hearing witnesses and examining clause by clause the provisions of the bill. If he has a constructive suggestion with respect to the implementation of this act in a fashion sensitive to aboriginal traditions and customs, I hope he will make it in committee and we will listen.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the worst thing we can do as a government is create laws and agreements with the native people and then violate those very agreements.

There is growing concern from groups about many aspects of the bill. The Canadian Bar Association and the Canadian Civil Liberties Associations are both concerned about Bill C–68. The Canadian Bar Association will publicly elaborate its concerns regarding the constitutionality of the so–called inspection, search and seizure powers.

Is the justice minister still confident his bill is constitutional in every respect?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): I am, Mr. Speaker, but the very purpose of having hearings before a committee is to enable groups such as those referred to by the hon. member to come forward and express their views.

I have had no doubt from the beginning the bill can be improved by that process. I listened with interest to the views expressed to date and I will listen with interest to the views to be expressed by the Canadian Bar Association.

Let me make clear if there are ways the bill can be improved with respect to the inspection procedures or others we are very happy to have those proposals. We will take the proposals from the bar association and others and give them serious consideration.

* * *

[*Translation*]

AGUSTA

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, the Minister of Public Works categorically refused last week to break off negotiations between the federal government and the firm Agusta regarding potential compensation for the Liberal government's cancellation of the contract for the EH–101 helicopters. The Prime Minister stated a few days after his election that the contract would be cancelled and no compensation would be paid to anyone.

How does the Minister of Public Works justify his current negotiations with Agusta, when the Prime Minister stated a few days after his election, and I quote: "The program is cancelled and there is no compensation for anybody"?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member will know that under the terms of the contract there are various provisions whereby the Government of Canada must provide some funding to the contractor.

The Prime Minister's statements were made with that in mind. We are proceeding with our negotiations as we would proceed under any other normal circumstances upon the termination of any contract with the Government of Canada.

• (1430)

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, in view of the fact that Agusta has just hired the former director of communications of the Liberal Party of Canada, Daniel Despins, and the former special adviser to Pierre Elliott Trudeau, James Peacey, as lobbyists in order to sell helicopters to the Government of Canada, would the minister of public works assure us that he is not negotiating a new contract on the quiet with Agusta, in exchange for compensation for the cancellation of the last contract?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member has made reference to two individuals, neither of whom I have seen, heard, or communicated with since I have become a minister of the crown.

I want to assure the hon. member that whatever a particular company does or who it hires is certainly its prerogative. There have been no representations made to me as a minister of the crown regarding that particular incident.

* * *

GUN CONTROL

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the weekend edition of *The Globe and Mail* ran a feature story on illegal gun sales in Canada. In that article, Detective Geoffrey Francis, who headed a gun running task force in the Toronto area, stated: "We already have good, strong laws in Canada for controlling firearms. We have to start enforcing them".

For 18 months the minister has done nothing to enforce the laws we have. Why is the minister not enforcing the existing laws instead of creating new laws that will do absolutely no good?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, that article effectively pointed out the importance of taking action with respect to the smuggling of firearms. However, the fact that this problem exists does not mean that other things are not also needed. We have to address all these concerns.

The minister of revenue and the people working in his department, the solicitor general and members of the RCMP are all working closely with other police forces. Indeed, when I met with the attorney general of the United States here in Ottawa in March, the first item on the agenda was the need for our

governments to work together more effectively to deal with the smuggling of firearms.

I fully agree with the hon. member, it is an important issue. It needs more attention, and it will get it.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, if he agrees with me, he should have agreed with me 18 months ago and got off his backside and done something about it.

I will ask the justice minister one simple question. Since he is fully aware and has been made aware by a number of people that registration will do nothing to curb crime, why does he not scrap that whole idea and save the taxpayers a lot of dollars?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, if I were to do such a thing I would disappoint the strongest supporters of registration, the chiefs of police of the country, the frontline police officers, the Canadian Police Association, the mayors of cities, the professional health care workers, people who know of the close, the practical, and the demonstrable connection between registration of firearms and achieving greater public safety.

* * *

[*Translation*]

SOMATOTROPIN

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health.

We learned in *La Presse* on the weekend that somatotropin has been entering Canada freely as customs officers are unauthorized to stop it. All the while, the Minister of Health is imagining that this hormone, which may pose a health hazard, is not being used because of a moratorium on it.

Would the minister tell us whether Health Canada is taking particular action against those who are importing somatotropin, because the use of it is banned?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, if the hon. member has information she could share with us on the sale of this product, which is not legal in Canada, we would appreciate it if she would tell us.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I would invite the minister to read this weekend's *La Presse*.

• (1435)

How can the Minister of Health think that the Minister of Agriculture's moratorium has any effect at all, when appreciable quantities of this hormone are entering Canada, and does she intend punishing those using this hormone despite the ban?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, of course, because it is not approved for sale in Canada. As regards the moratorium, the hon. member should perhaps talk to the Minister of Agriculture.

* * *

[*English*]

AIR TRAFFIC CONTROL

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, last week the Minister of Transport suggested he might cancel the problematic air traffic control computerization contract with Hughes Aircraft. Now he has apparently offered the company more than a hundred million taxpayer dollars to supply a system inferior to that in the original contract.

How does the minister justify his about face, which will actually reward a company for not living up to its government contract?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the difficulties with Hughes on that contract are well known. As the hon. member has raised in the House and as I have agreed, we have to find a way out of that. It is a very difficult and complex question.

It is a very odd situation to have the hon. member now suggest that we should cancel the contract when has been such a stout defender of the Pearson contract.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, the minister did not hesitate to cancel the Pearson airport contract without producing a single item of evidence of wrongdoing.

Hughes is a year and a half behind schedule. It has stated that it cannot provide what it contracted to provide the government with and it wants even more money for what it does supply.

If Hughes insists on more money for an inferior system, why does the minister not either approach an alternate bidder or simply retender the air traffic control contract altogether?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, there have been millions of dollars spent already on this contract. I agree with the hon. member that the contract is not being delivered on schedule and that it is over budget.

We are negotiating with Hughes to try to find a solution to the problem. The hon. member would know that the contract was entered into a number of years ago. It came to my attention that there were problems with it and I immediately informed the auditor general of my concerns. I have discussed the matter with my deputy minister. We are going to try to find a solution to it.

The problem we face with Hughes I think the hon. member would recognize as a good reason why we should proceed

rapidly with the commercialization of the air navigation system to ensure that those who deliver the service, the people who use the service, and especially those who pay for it have a direct say in how these services are built and maintained.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, my question is for the Solicitor General.

After testifying before the commission on Quebec's future, Pierre Laberge, a retired member of the RCMP and CSIS, has now been barred from their Montreal headquarters, where the association of former RCMP and CSIS members holds its meetings. This ban was imposed by, among others, Normand Chamberland, the current director of CSIS for the Quebec region.

How can the Solicitor General justify such retaliatory measures against a retired employee simply because he took part in the proceedings of the commission on Quebec's future?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the association of former RCMP members is a private organization that does not report to the government. It makes its own decisions regarding access to its meetings.

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, I understand that the RCMP building comes under the government's responsibility.

Can the Solicitor General tell us if the RCMP's intolerance toward Mr. Laberge reflects the policy that the federal government intends to apply to all federal employees who side with Quebec in the upcoming referendum campaign?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, access to the RCMP's premises in Montreal is an internal management matter that concerns the RCMP. It is a prerogative of the commanding officer, Deputy Commissioner Thivierge, and not a matter for which the Solicitor General is directly responsible. As I just said, it is an internal management matter concerning the RCMP.

* * *

• (1440)

[*English*]

GREECE

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Thessaloniki is Greece's second city, capital of Macedonia and the contemporary gateway to the Balkans. It is designated the European heritage city for 1997.

Considering the size of our Greek–Canadian community and the increasing trade links between Greece and Canada, will the minister consider appointing an honorary consul in Thessaloniki with responsibility for representing Canadian interests in northern Greece and the southeast Balkans?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, indeed I would confirm to the hon. member that this suggestion is very worthy and we will study it very quickly.

* * *

AIR TRAFFIC CONTROL

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, my colleague from Kootenay West—Revelstoke has drawn attention to the government's questionable decision to proceed with the Hughes Canadian automatic air traffic system. Yet we are informed that the defence department, 16 months after federal auditors warned that the civilian system was two years behind schedule and massively over the agreed contract price, signed a $70 million deal for a military version of the same system.

What prompted the Minister of National Defence to invest in a system that does not meet the original specifications? Why did he proceed with this project?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I believe I addressed this question on Friday.

The air traffic control system is primarily being developed under the auspices of the Department of Transport, and it appeared only logical for the former government to have the defence air traffic control systems at Canadian military bases developed in co–operation with that being developed by the Department of Transport.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, it is also reported that if the military system is installed the department estimates its internal costs alone will add $106 million to the $70 million Hughes contract. Why would the minister authorize such an expenditure on a system with so many questions about its capabilities?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think we have to emphasize that this contract was initiated by the former government. My colleague, the Minister of Transport, has done the government and the Canadian taxpayers a real service in conducting an internal audit on this project. It is an audit with which we at national defence are co–operating.

[*Translation*]

COLLECTION OF CHILD SUPPORT

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Minister of Justice.

After Quebec's National Assembly unanimously passed a bill providing for the automatic collection of child support, the minister said on April 25 that, in the coming weeks, he would propose measures to enforce child support orders.

Does the minister promise that the process he will put in place to ensure payment of child support will not overlap with those already in effect in several provinces including Quebec?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the reference the hon. member has made could perhaps be to a response I gave in the House some days ago concerning the government's intention to announce shortly its proposals with respect to child support in general, including efforts to put in place an effective national strategy for enforcement of orders requiring the payment of child support.

I can give the hon. member my assurance that we share the objectives of the Government of Quebec and other provincial governments that have put in place methods to increase the level of compliance with such orders. We will not be working at cross purposes; rather, our intention will be to collaborate to ensure that our efforts work together to achieve what we both have in mind: the payment of the orders when they are made and proper levels of support for children.

[*Translation*]

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, does the minister undertake to endorse the federal–provincial child support committee's recommendation that provincial regulations prevail in the provinces that have such regulations?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): First, in relation to the determination of the amounts of child support, we have signalled to the provinces a preparedness to see separate provincial formulae if there is a good need to have different amounts, so long as they are the same in purpose and principle. Second, as I mentioned, we are happy to work and I believe we are already working closely with provincial officials in developing enforcement methods that are complementary.

• (1445)

Putting the matter shortly, we do not in any way wish to get in the way of any provincial effort in Quebec or elsewhere in Canada because we are all after the same thing.

I assure the hon. member of a willingness on our part to work co–operatively with provincial officials from coast to coast to see to it that people do not defeat court orders by moving, that information is shared to permit enforcement, and that the level of payment of the orders goes up across the country.

* * *

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, this morning at 10.50 a Canadian forces liaison officer with the Somalia commission attempted to contact Major Barry Armstrong at his home.

What was the problem? As everyone in the House knows, today is the first day of a six–month tour in the former Yugoslavia war zone for Barry Armstrong.

It seems that the Somalia commission was just as surprised as members of the House that the doctor whose testimony first sparked the inquiry has been removed from the picture.

My question is for the Minister of National Defence. Is it not as obvious to the minister as it is to the Somalia commission and to members of the House that Major Armstrong being posted to this war zone compromises the investigation into the events in Somalia?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, it is absolutely not.

The fact is that Major Armstrong along with other Canadian forces personnel are required as part of their duties to be deployed from time to time outside the country.

If the commission wishes to have Major Armstrong or anyone else testify before the inquiry, it has to ask the person to come. The forces will certainly make him available, no matter where the person is residing.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, maybe the minister should be reminded that the former Yugoslavia is considered a war zone. News reports indicate that the situation is escalating. At this very moment the Sarajevo airport is not even open.

How can the Minister of National Defence guarantee the safe and timely return of Major Armstrong for his testimony to be heard before the commission?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, if any members of the forces are required to testify they will be there.

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FISHERIES

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The report on Fraser River sockeye salmon stated that the sales agreement under the aboriginal fisheries strategy last year contributed to the mismanagement of the Fraser runs.

In response to the report the minister promised that all pilot sales agreements would be signed by May 15. Could the minister please update the House?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I do not have an announcement but I will do my best.

The Fraser panel report indicated that the late negotiations of sales agreements last year, negotiations that went into July, contributed to poor management performance with respect to the management of the sales agreements. The member for Delta has said that once or twice in the House.

Having listened to both members, the member for Saanich—Gulf Islands and the member for Delta, as well as members on this side of the House, I am pleased to announce that effective today all sales agreements will be signed two months earlier than was the case last year.

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[*Translation*]

GAS PUMPS

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, my question is for the Minister of Industry. We learned this morning that 13 per cent of gas pumps across Canada do not give accurate readings, which translates into unjustified additional costs to customers.

Does the Minister of Industry confirm this information and what does he intend to do to remedy this situation, which is prejudicial to consumers?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I too read a remark to that effect in the weekend papers. The hon. member may be interested to know that a maximum margin of error of 0.5 per cent has been set for gas pumps. There are federal employees assigned to inspect the pumps and we hope to have a report explaining these discrepancies in the near future.

• (1450)

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, does the Minister of Industry not agree that, by having gas pumps inspected only once every six years, he is failing in his duty to protect consumers, who can then fall victim to any malfunction of these pumps?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I fully agree that it is very important for inspectors to be vigilant, so that they can detect the kind of problems raised by the hon. member.

* * *

[*English*]

FOREIGN AFFAIRS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, many Canadians were shocked to learn last Friday that when it comes to Canadian foreign policy the government believes trade should take precedence regardless of a country's poor record on human rights.

Will the Minister of Foreign Affairs explain the shift in policy, given the fact that it breaks yet another promise set out in the infamous red book wherein it reads: "We will continue to support democracy and respect for human rights worldwide?"

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Yes, Mr. Speaker, I can confirm for the hon. member that we will continue to act very vigorously to support respect for human rights and democracy throughout the world.

There has been no change of policy. In response to the very thorough review of the parliamentary committee we have expressed in our presentations the various goals we want to pursue in foreign policy.

One goal is trade. Another goal is to promote our values, what we believe in. Certainly we believe in respect for human beings and respect for democracy. This is one of many features of our foreign policy.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, that was not what was said last week. It sounds like we will see no evil, speak no evil and hear no evil when it comes to our foreign policy on human rights.

The attitude of the government shows the callous disregard for the gross human rights abuses that are taking place all over the world. I am sure the government's insensitive approach to human rights will be little comfort to the valiant souls subjected to torture and incarceration without trial while fighting for human rights and democracy throughout the world.

Why has the government flip–flopped yet again on its foreign policy commitments? Why has it broken another of its red book promises?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I absolutely refute the allegations of the hon. member. We have not changed our foreign policy. We have not flip–flopped on the red book. It is quite the contrary. We are delivering on our promises.

One of the main promises we made to Canadians—and the Prime Minister has said it all along—is to create jobs and sustain the Canadian economy. We are doing it. Despite the view of the hon. member we will work vigorously to promote employment and growth in Canada and create jobs. That is one aspect of our foreign policy.

By doing that it does not mean we are abdicating other objectives we have, particularly to promote and sustain those who are fighting for democracy and human rights in the world. They are not contradictory. Quite the contrary, the two objectives could go hand in hand and be promoted worldwide.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I listened carefully to the answers given by the Minister of Foreign Affairs to the questions just asked.

The Minister of Foreign Affairs did not say that as far as the government is concerned there is a link between trade and human rights and that they are prepared to use trade in certain circumstances to make sure human rights are upheld around the world through our trade policy.

Will the minister say that there will continue to be a link between human rights and trade policy? If he will not that is a flip–flop.

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I assure the hon. member that whenever we have trade relations in countries where we have established good rapport and created a climate of confidence, we will certainly use the good rapport to promote human rights and influence governments to change their policies and to accept our values and our own objectives.

• (1455)

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, is the Minister of Foreign Affairs saying he rejects that possibility with respect to any country guilty of severe human rights violations, whether it be Burma in the present or South Africa in the past? The government from now on will rely on good rapport that is supposed to be established between countries as a result of trade? Or, is he still open to the possibility of using trade sanctions as a way of upholding human rights around the world?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is quite clear that in some cases, through the United Nations, when all countries accept the imposition of trade sanctions as happened in South Africa, Canada has certainly joined others and supported the measures.

To try to be a boy scout on our own, to impose our own rules on others when nobody else is following, is absolutely counterproductive and does not lead to any successful future. Therefore it is quite clear that our approach, the multiplicity of objectives we are pursuing, is certainly much more conducive to obtaining the end result.

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UNEMPLOYMENT INSURANCE

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The government has conducted extensive public consultations on the reform of Canada's social programs. During that process one of the important issues raised had to do with unemployment insurance benefits for seasonal workers.

As the minister is expected to announce reforms to the unemployment insurance system later this year, could the minister assure the House that he will continue to give full credit to seasonal workers in recognition of their valuable contribution to the Canadian economy?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member knows, in addition to general public consultations we have commissioned some special initiatives. A seasonal workers task force tabled its report about a month ago. We have had a special working relationship with the construction trades. I have met with representatives of the building trades and construction unions last week in Toronto.

In all cases they made very significant contributions. Therefore we will be responding to many of the representations, including one which I think is important, that is that we would seek an alternative to the two tier system originally presented in the green book. We think there are better ways of doing things.

* * *

COMPCORP

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, in order to protect the insurance policy holders from events arising out of corporate failure, the private sector created Compcorp, a well run and efficient regulatory body. Even the Secretary of State for Financial Institutions has applauded Compcorp's record in dealing with the failures of two federally regulated life and health insurance companies. Yet the government is pushing to eliminate Compcorp in favour of a federally operated policy protection board.

Why is the minister pushing to set up a public regulatory body when one that fills the needs of the private sector already exists? Is it not just another case of government overkill?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I thank the hon. member for his question and for his interest in financial institutions legislation.

Perhaps the hon. member is aware that I made remarks in Toronto recently on the question of Compcorp. I recognize it has been effective. If they will make some adequate changes to Compcorp we will certainly consider not proceeding with our policy protection board.

The four conditions I set out at the time are: revised corporate governance for Compcorp; greater access to privately financed resources; the capability of levying higher assessments if necessary; and, finally, to ensure the ability to arrange going concern solutions. These are the minimum changes that we would require from Compcorp and we would hope the private sector would answer those concerns.

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[*Translation*]

COPYRIGHT

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, the Minister of Canadian Heritage indicated that he had provided the Minister of Justice with instructions for the drafting of a copyright bill. However, the federal government still has no copyright protection policy.

Since the heritage minister is now waiting for his colleague from justice, could the Minister of Justice tell us if he plans to introduce this bill for consideration by this House before the summer recess?

• (1500)

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I cannot say. I am not sure that I know the timing of the proposals. I do know that officials in my department have been communicating with Heritage Canada and are at work in preparing proposals to improve the copyright law. As to timing, I am not able to answer the hon. member. Perhaps I will inquire of my colleague and let her know in the next day or two.

The Speaker: The hon. member for Sherbrooke.

Some hon. members: Oh, oh.

* * *

HIGHWAYS

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I thank my colleagues for the usual reception.

On Saturday I met with a group of truckers in Nova Scotia concerning Highway 104. They were protesting the diversion of

$26 million in funds from the federal–provincial agreement to upgrade the highway for safety reasons among others and to encourage interprovincial trade.

My question is for the Prime Minister. Given the fact that this diversion has been denounced by the auditor general of Nova Scotia as not conforming to the agreement signed between both governments, will the Prime Minister rein in his minister of public works so that he stops sending money to his own riding at the detriment of the safety of the highways in Nova Scotia?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I want to welcome the leader of the fifth party back for his monthly appearance.

Some hon. members: Oh, oh.

The Speaker: I am sure the hon. minister is going to get to his answer.

Mr. Young: Mr. Speaker, I can only say that had the member been tuned in, he would have known that the question has been raised in the House on a number of occasions by members of the Reform Party. As I indicated to them and as I want to advise my hon. colleague now, the decision to build highways in Nova Scotia is a decision of the Government of Nova Scotia. The report to which my hon. colleague refers is a report by the auditor general of Nova Scotia.

It is not unheard of and certainly no precedent for this government to be able to reallocate funds and to be flexible enough to recognize realities, whether that occurs in Newfoundland, Prince Edward Island, New Brunswick or in Nova Scotia. Under these agreements funds have been reallocated.

Any beef the hon. member has would be with the few colleagues he still has in Nova Scotia in the opposition there.

The Speaker: This brings to a close the question period. I do have a point of privilege from the hon. member for Prince Albert—Churchill River.

* * *

PRIVILEGE

ALLEGED CONFLICT OF INTEREST

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, on Friday the member for North Island—Powell River made the following statement about me:

> Mr. Speaker, the member for Prince Albert was adopted by binding aboriginal ceremony into the Bird family of the Montreal Lake Bank in a powwow about two years ago. Roy Bird, the chief of the band, is an important player in this family. The member for Prince Albert has been co–opted by the minister and is defending these negotiations with his adopted family.
>
> Will the minister not agree that he has placed this member, knowingly or unknowingly, in a conflict of interest situation?

I have been accused by the hon. member from the Reform Party of being in a conflict of interest situation. I feel that these accusations have very serious moral and legal implications

impacting and affecting my ability to adequately function as a member of Parliament.

I would like to make very clear that even if this suggestion made by the hon. member were true, this is nothing more than an honour bestowed by a community upon an individual.

So that the Reform Party can understand what this type of ceremony would be about, it would be like receiving a citizen of the year award from the chamber of commerce. It would be like getting an Order of Canada from the Government of Canada.

• (1505)

I would suggest this would simply be an honour bestowed by a community upon an individual and is not grounds for any conflict. Even more important, this honour was never bestowed upon me in the first place. I wish to say I do not know where the hon. member would get such a statement.

Mr. Speaker, whether or not you view that my privileges have been violated, I would like the hon. member for North Island—Powell River to publicly withdraw the comments and apologize to the people of Canada for making statements that in some parts of the country damage positive race relations. This is the new politics promised by the Reform Party.

The Speaker: Colleagues, this point of privilege rises out of one that was raised on Friday. At that time the hon. member was not here to defend himself and that is why I waited until today to hear what the hon. member had to say.

It would seem to me at first blush that this is not a point of privilege; it is surely a point of debate and clarification. Many times when these statements are made, they are made in good faith, and I have to believe that they are because hon. members are just that, hon. members.

I do not think the hon. member for North Island—Powell River is here today. If we could let this sit until tomorrow, I want to take a look at everything that was said. I want also to review the video. If it is necessary, I will come back to the House but at this point it would seem to me this is not a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to a number of petitions.

BUSINESS DEVELOPMENT BANK OF CANADA ACT

Hon. John Manley (Minister of Industry, Lib.) moved for leave to introduce Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

He said: Mr. Speaker, on a point of order, I wish to inform the House that it is my intention to propose that this bill be referred to committee before second reading, pursuant to Standing Order 73(1).

(Motions deemed adopted, bill read the first time and printed.)

* * *

FOOD AND DRUGS ACT

Mr. Sarkis Assadourian (Don Valley North, Lib.) moved for leave to introduce Bill C–325, an act to amend the Food and Drugs Act.

He said: Mr. Speaker, it is my pleasure to introduce to the House today my private member's bill entitled an act to amend the Food and Drug Act, re lactose warning labels.

This bill amends the Food and Drugs Act by ensuring that any packaged food or drug that contains lactose and is intended to be sold and used by the public is packaged in containers labelled with a warning that it contains lactose and may be harmful to persons with lactose intolerance.

• (1510)

Lactose intolerance is a condition that affects one out of five Canadians, which is about six million of the population. I hope all members will take the time to carefully review this bill and come to the realization that the proper labelling of food containing lactose would certainly assist at least six million Canadians.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36 I wish to present a petition that has been circulated across Canada. This particular petition has been signed by a number of petitioners from the Oakville, Ontario area.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to

provide care in the home for preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

HUMAN RIGHTS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition duly certified by the clerk of Petitions on behalf of 98 constituents of Saanich—Gulf Islands and surrounding area.

The petitioners call upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

RICHARD CARROLL

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, pursuant to Standing Order 36, I rise in this House to present a petition with 263 signatures.

The petition is from residents of Cumberland—Colchester wishing this government not to force the departure of Mr. Richard Carroll of Stewiacke, Nova Scotia from this country unfairly into the United States.

GRANDPARENTS RIGHTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would like to present a petition with another 125 names to add to petitions already presented to this House regarding grandparents rights and the rights of grandchildren. It is the wish of these petitioners that we address their problem and vote in nature with it.

HUMAN RIGHTS

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, it is my duty to present to this House a petition signed by 44 constituents from the town of Smooth Rock Falls who oppose the inclusion of sexual orientation in the Canadian Human Rights Act. They say that this inclusion will infringe upon the historic rights of Canadians such as the freedoms of religion, conscience, expression and association.

TAXATION

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition today from 385 British Columbian constituents many of whom are from my riding of New Westminster—Burnaby.

The petitioners make it known in their petition that they are overburdened with taxation due to high government spending. Therefore they pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

By presenting this petition, these petitioners have displayed their responsibility to help Canada get out of this fiscal crisis. I wish to concur with this petition.

HUMAN RIGHTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I have a second petition today signed and started by a constituent of mine, Shelly Siwack of New Westminster.

Fifty–seven petitioners signed the petition in order to voice their opposition to Bill C–41 and urge members of the House of Commons to not give passage to the bill.

The petitioners pray that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights act to include in the prohibited grounds of discrimination, the undefined phrase sexual orientation.

DANGEROUS OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise to present another petition in the course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

• (1515)

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray our streets will be made safer for law–abiding citizens and the families of the victims of convicted murderers.

Mrs. Bakopanos: Mr. Speaker, I rise on a point of order. I missed the time for presenting reports from committees. May I present the report now?

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Citizenship and Immigration in relation to order in council appointments.

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

ATLANTIC FISHERY

The Speaker: I am in receipt of a motion under Standing Order 52 from the hon. member for Burin—St. George's.

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, pursuant to Standing Order 52, I am requesting that you grant leave to move the adjournment of the House for the purpose of discussing a matter requiring urgent consideration, the damaging and misleading statements made by the leader of the third party in New Brunswick on Thursday, which I became aware of late Friday—

The Speaker: I received notice from the hon. member, as procedure requires. I believe the hon. member stated he wanted to have an emergency debate on the fisheries and not on the statements made about the fisheries.

I wonder if the hon. member would limit himself to debate or at least to putting forth his points on debate on the fisheries if that is what he wants to do.

Mr. Simmons: Mr. Speaker, my next sentence was that the fishery in Atlantic Canada is a $1.6 billion export industry; $1.6 billion is a far cry from suggestions that the fishery is over.

Given the morale situation in Atlantic Canada right now and given the importance of the fishery and the confidence issue that is important to the fishery at this very difficult time, I feel it is timely to have a full fledged debate on the issue to set the record straight, to ensure false and misleading information is not undermining the confidence of a very vibrant industry employing tens of thousands of people in Atlantic Canada.

Mr. Speaker, that is my application. I hope you will give it your consideration.

SPEAKER'S RULING

The Speaker: To the hon. member with all respect, the fisheries question in Canada on both coasts is one of great importance to all of us in the House and to all Canadians.

However, I suggest the hon. member might have avenues to pursue that other than an emergency debate. It seems to me at this time at least an emergency debate on that topic would not be in order.

I thank him for his intervention on behalf of his constituents and for the work he is doing in that regard.

GOVERNMENT ORDERS

[*English*]

VETERANS REVIEW AND APPEAL BOARD ACT

The House resumed from May 12 consideration of the motion that Bill C–67, an act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other acts and to repeal the Veterans Appeal Board Act, be read the third time and passed.

The Deputy Speaker: When we last debated this matter the hon. member for Nanaimo—Cowichan had the floor. He has 15 minutes remaining in his intervention.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, because there has been a lapse of several days I remind all that Bill C–67 is the Veterans Appeal and Review Board Act and that the purpose of Bill C–67 is to reduce the existing backlog of appeal pension cases and to shorten decision time on first application.

• (1520)

If it succeeds it will merge two existing bodies, the Canadian Pension Commission and the Veterans Appeal Board, and first decisions on veterans cases will be made by the Department of Veterans Affairs, and the bureau of pension advocates will become part of the department and will work only on preparation of appeals.

My unease with Bill C–67 stems from two sources. The first is the change of position of the bureau of pension advocates. This has long been an extremely important first level of contact for veterans who have a case to make. To move it to the second level is totally unacceptable. The second unease I have concerns what I shall call the leadership factor in the Departments of National Defence and Veterans Affairs.

Reaction to need within those departments has historically been very slow. I do contend that at the sharp end of the Department of National Defence, when we are talking about our troops, it is very good. Its reaction time is good and it is flexible. The farther we move in the chain of things behind the front line, the more the bureaucracy is involved and the slower the reaction. The bill's purpose is admirable but if the effect of the bill will be to increase the size of the bureaucracy then I cannot believe it will achieve its aim.

When I spoke to the bill very briefly last week I pointed out delays of 40 and 50 years in recognizing our veterans' accomplishments. The merchant navy waited for 50 years for recognition. The veterans of Dieppe have waited for over 50 years and are finally receiving a simple clasp for a medal. The veterans of

the Korean operation have waited for well over 40 years to achieve something. Other veterans of peacekeeping operations are still waiting. There was a proposal from this side of the House, supported by some members opposite, that there be a Canadian volunteer service medal produced for peacekeepers. However, I am sorry to say that was rejected by the House. There is certainly a slowness in recognition.

The other side of this impasse in national defence I started to illustrate the other day when I spoke about problems with hearing loss of members of the Canadian forces. Way back when, and we are talking a long time ago, when I was on the rifle ranges we wore no ear protectors. It took literally years for the Department of National Defence to come up with protection for the troops on the ranges firing weapons. It took even longer for any recognition of the fault of the Department of National Defence to be echoed by the Department of Veterans Affairs when veterans applied for hearing aids. The departments dragged their feet. That is a syndrome visible within national defence and veterans affairs.

Another example is the atomic energy corporation of Chalk River. There were spills of radioactive materials. There was a spill of the main reactor in Chalk River in the 1950s. People like Jimmy Carter, not then the president of the United States but a midshipman at Annapolis, came up to help clean up that spill. I was there. I had some illness presumably attributable to exposure to radiation. I tried to declare this on my release from the forces but it was not even accepted by national defence and veterans affairs.

• (1525)

There is the gulf war syndrome. Our troops were in the Persian gulf several years ago and some of them have complained of a variety of symptoms. The same thing has happened in the United States. The American veterans administration has acknowledged and labelled the problem as the gulf war syndrome. It has set up a registry at veterans affairs across the United States where all gulf war veterans complaining of health problems can get a complete physical examination. There has been acknowledgement of it in the United States. Here there has been nothing yet. We are still looking at the problem.

I am not in a position to say there is such a thing as an illness contracted whether it is from the oilfields, nerve gas or from anything there. What I am saying is national defence and veterans affairs invariably drag their feet in recognizing there are problems.

There are sufficient symptoms displayed by veterans that it should not be a problem. The symptoms include loss of memory, aches in the joints, night sweats, severe headaches, loss of hair, confusion, reproductive problems, stress within family, attention disorder, fatigue, abnormal rashes, bleeding gums, irritability, breathing problems and so on. They are surely sufficient for our people to say get it out in the open and tackle this thing and either put it to rest and say there is no such thing as gulf war syndrome or there is and these are the attributes we recognize.

I have a letter from the vice–president of the Canadian Peacekeeping Veterans Association. He is reporting on the gulf war syndrome problem: "This report would be more extensive had I received all of the information I am waiting for. Please advise me if you would like me to keep you informed of any new developments. Our methods of gaining information are very tedious, as we are a non–profit organization that must rely on the mail system, etc. We do not have the funds to travel to interview the individuals in question. We also have full time employment and must conduct this type of research after hours. Don't get me wrong, we do this research because we believe in what we do. We must help our fellow veterans. We would like eventually to conduct an interview or have a questionnaire completed by our gulf war veterans and their spouses. This would certainly enlighten us as to the situation with regard to that".

My point is veterans affairs and national defence should take more initiative, should exercise leadership and show our serving soldiers and veterans that they are interested and lay some of these problems to rest.

We have other examples of the same thing. Somalia and the use of mefloquine is another such example. Mefloquine is a drug used as a malaria inhibitor. Years ago, I will not say how many, when I was in Korea we used paludrine which had certain side effects but nothing to the extent that apparently mefloquine does. My colleague from Delta brought this up in the last six months. He has asked for an investigation into the effects mefloquine may have had on Canadian troops serving in Somalia. He cited specifically Trooper Kyle Brown who, as we all know, has been put into prison, and Master Corporal Clayton Matchee and the men of the Canadian Airborne Regiment.

• (1530)

I understand this drug is still in use to this day in Somalia in spite of questions about its appropriateness. Apparently Canadian troops in Somalia were given heavy doses weekly of mefloquine which, as I say, is used as protection against malaria. However, the drug is well known to have neurological side effects. The manufacturer's literature states that reactions are rare but include convulsions, psychosis, nightmares, dizziness, headaches, confusion, anxiety and depression.

The Canadian medical personnel in Somalia reported that Canadian troops experienced these side effects. In fact, the day the drug was administered in Somalia was known as psycho Tuesday.

In view of reports like this, I would expect that the Department of National Defence—and I lump veterans affairs in with it for this purpose—would show more leadership by taking the initiative to say: "Let us put a stop to nonsense like this. Let us put a stop to the stories. We will determine accurately whether mefloquine can continue to be administered, what its side

effects are, when it can and cannot be used, what its effects are with liquor and so on". We need to put these things to rest.

In conclusion, I find that leadership in national defence, lumped in with veterans affairs, is lacking today. We have been looking at a great many problems over the last year: Somalia, the disbandment of the airborne regiment and the videos pertaining to that, the reduction in the size of the forces, equipment problems, morale problems brought out in the Oehring report, having to do more with less in the way of equipment and troops as brought out by Brigadier–General Jeffries' report from Petawawa, the Fowler–Doyle–Létourneau incident, the Somalia inquiry and the staffing of the inquiry itself, the Bosnia–Croatia decisions, suicides in the forces and, more recently, the block of access to information problems. All of these things tell me that there are leadership problems in national defence.

When I look at those problems and the foot dragging that goes on, I say that Bill C–67 should be really looked at very carefully. It should not be proceeded with in its present form. I am absolutely against the relegation of the bureau of pension advocates to a review position. This is not going to help the veterans. The burgeoning bureaucracy that will be created by the combining of two levels is going to be bad news once again for the veterans and their administration.

Therefore, I speak negatively on this bill. The purpose of Bill C–67 is laudable but its implementation, I am sorry to say, may not do what we want for the veterans who are having problems.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am very happy to rise and speak in the debate today on Bill C–67.

For the benefit of those viewing this at home, Bill C–67 has to do with the review procedure for pensions of people who represented and fought for our country in the last world war. It is apropos that we should be speaking about this having just gone through the victory in Europe celebrations and remembrances last week.

• (1535)

As we discuss the bill concerning pension reform we should keep in mind that the average age of those involved is 74 years. That means that the motivation for the government to proceed with this bill now is to try to speed up the process.

When we want to find out how things affect veterans in our country it makes sense to go to the Royal Canadian Legion. As everyone knows, the Royal Canadian Legion by and large speaks for veterans. To some degree it is supportive of the bill. Its concern has to do with four basic facts. It wants to see that these four basic principles in the adjudication of pension disputes are met.

First, it wants to preserve the benefits and services provided to veterans. That goes without saying. It does not want to see this reduced in any way.

Second, there is a need to protect the benefit of the doubt provision. If the bureau of pensions is to err on one side or the other then it would err for the benefit of the applicant.

The third principle is to ensure an independence of advocacy and adjudication. Members should keep that in mind.

The fourth principle is to achieve the necessary speed and generosity to ensure that pensions and other benefits are received by the veterans when they are entitled to them.

The Royal Canadian Legion believes these four basic principles should be upheld by the bureau of pensions. Further it has two basic problems with the bill. They are the levels of expertise to be afforded the applicant at the first application level under the new system and the need to maintain continuity of process between the first application and any subsequent review or appeal.

Members may know, but many people watching may not be aware, that when a veteran appeals for a pension it is a two–step process. If the pension is applied for and granted, that is the end of it. However only 30 per cent of veterans who apply receive a pension after the first round. Therefore, most of them go to appeal.

When veterans are talking about the continuity of process, they are saying it makes sense for their advocates at the first level to also be their advocates at the second level at appeal.

It is interesting that of the 70 per cent who are rejected at first application and go on to appeal, fully 80 per cent of applications appealed are granted. That would be the benefit of the doubt. Therefore, the vast majority who apply for a veterans pension get it. Keep in mind that they are 74 years of age.

If we follow the logic of the whole process as I have described it, a veteran, whose average age is 74, requests a pension. Thirty per cent receive it and 70 per cent do not. Of those who do not receive it and appeal, 80 per cent end up winning their appeal. A lot of those would be based on the benefit of the doubt provision which is one of the four principles the Royal Canadian Legion particularly would like to have.

Another principle the Royal Canadian Legion has identified is the importance of an independent adjudicator. That is the Achilles' heel of the legislation.

• (1540)

The government has stated a number of times that the goal of the legislation is to speed up the time it takes a veteran to get a

disability pension without the veteran losing any of the rights the veteran currently possesses. That is a very laudable objective. However, we have identified a serious deficiency in the bill.

The disagreement centres on whether the bureau of pension advocates should remain an independent body at the disposal of veterans at the first level or whether it should be made part of the department reserved for appeal level only. If 30 per cent of the applicants get their pension and on appeal 80 per cent win, why are we not making the gates a little wider at the beginning?

A number of arguments were made in the Standing Committee on National Defence and Veterans Affairs and in the House in this regard and they have been reviewed extensively. After consideration I have concluded that the bureau of pension advocates should remain an independent body at the exclusive disposal of the veterans. Why? I fail to see how removing the bureau from the first level will save any time in the current system. The only way to speed up the system is to ensure that more applications are accepted at the first level.

If 80 per cent of the appeals are granted, why not grant more of them at the first level? These applications must be well prepared in the future because the department currently rejects 70 per cent but goes on to accept 80 per cent on appeal. The typical time it takes for a lawyer to prepare an application is two to three months, a modest period of time to prepare a case when the veteran is forced to battle the department to receive a disability pension. The remaining delays at the first level, which can take up to a year and a half, are the responsibility of the department.

The problem is not with the veteran or with the lawyer who prepares the application, the problem is with the department. Much of that was identified earlier by my colleague who went through a step by step process of showing how the application goes from Ottawa, gets copied and then ends up in Prince Edward Island because the former government decided to put the bureau in Prince Edward Island.

Ironically, the government feels that removing the bureau from the first level will speed up the system because it will focus on appeals only. Under the legislation the government intends to have departmental clerks assist the veteran in filling out the first level application. That is a potential problem which the Royal Canadian Legion identified because it is the skill and the proficiency with which the first application is completed that will determine its acceptance.

The first level decision would then be adjudicated within the department. It could be true that the first level decision would be faster, but would the acceptance rate be higher than the existing norm of 30 per cent? Given the department's past record of rejecting 70 per cent of first level applications, I doubt it. If the veteran then has to appeal the case he has to go to a bureau lawyer who would work directly for the department.

The current system is that an outside, independent lawyer who is acting on behalf of the veteran, makes the application and then follows through with the appeal. Under the new system a departmental clerk will complete the application and only if the application is refused would the lawyer go to work to prepare an appeal for the applicant, which would take a further two to three months. The veterans say that streamlining of the whole process is in large measure due to how well the first application is put together.

If the government intends to focus all of the bureau's resources at the appeal level, then it is obvious that the first level acceptance rate will not increase. The majority of veterans will still have to wait years to get their disability pensions, and we must remember that their average age is 74 years.

If the process is to be speeded up the first level acceptance rate must be increased so that there will be fewer appeals. The way to accomplish this is twofold. First, have the first level application expertly completed by a bureau lawyer so that the veteran's case is solid. Second, the department should consider the success rate for past appeals, which is 80 per cent, and use the benefit of the doubt provision more liberally to increase first level acceptance. This two–track approach would substantially speed up the system and serve best the interests of the veterans. I know that it is serving the interests of the veterans that all members of this House and indeed all Canadians are firmly committed to achieving.

• (1545)

While the intent in this bill is certainly a step in the right direction, as with much legislation that comes before this House there are certain aspects of it that could be substantially improved. I draw again on the suggestions made by the Royal Canadian Legion that the four paramount underpinnings of the foundation of the veterans' appeal must be to preserve and protect the benefits and services provided to the veterans of Canada; to protect the benefit of the doubt provision; to ensure an independent advocate; and to achieve the necessary speed and generosity to ensure that our veterans, whose average age is 74 years, are honestly and fairly dealt with.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is indeed a privilege to address the House with regard to Bill C–67 on third reading of the Veterans Appeal and Review Board Act.

In the last few days our attention has been focused on the men and women who served our country so valiantly 50 years ago, men and women who left family and friends to fight for freedom, democracy, and peace. As I and thousands and perhaps millions of other Canadians witnessed the V–E Day celebrations here in Ottawa and on television from Europe last week, it evoked emotions of pride for this country and respect for all

those who served here and abroad. While we have honoured these veterans through pomp and ceremony, we have failed in many cases to provide them with the compensation that is due them.

I want to briefly refer to a couple of incidents that happened in my riding. First, there was a huge air show in the city of Lloydminster last week where we were able to show off both military and domestic planes in a huge air show. It was a success. The Snowbirds were involved. Of course they are based at the Moose Jaw airbase. They were very well received.

A couple of days later there was another event in my riding. It too occurred in the city of Lloydminster. It was sponsored by the Kinsmen and the Kinnettes. It was a raising of the flag ceremony. It was truly an honour for myself as well the mayor of Lloydminster and one of the MLAs from the area to be involved in the ceremony where annually they raise the flag and we reflect on our country and the democracy we enjoy and remember those who paid a heavy price for the democracy that we enjoy. There was a colour guard there and cadets present, as well as the Kinsmen and the Kinnettes and dignitaries.

Following the raising of the Canadian flag and following the ceremonies I had an opportunity to meet with a couple of veterans. They were two brothers from the area who had just returned from the Netherlands and the celebrations over there. We were able to talk with them about their own experiences, first of all on the advancement into Europe when the liberation took place and then the recent trip over there. They expressed real emotion about the warm greetings and the warm reception they received from the people of Holland for the efforts they had been involved in 50 years before.

As I spoke to one of these veterans, one of these brothers, he said he had not been able to stay the full time. He had not been involved in the entire liberation, he said, because he got hit a few times. He pointed to his left hip and said "I got hit here first and then a little while later I got hit in this hip, and then finally they got me a little higher up, in the arm and the chest. After that they decided they had better send me home."

When we think of the commitment to democracy and we think of the commitment to Canada and what we stand for that was displayed by these veterans 50 years ago, it really humbles us who have not experienced the sacrifice and hardship that they did. It elevates in our minds the value of our veterans for their dedication and for their service to our country, and not only our country but democracy around the world.

Just a few minutes ago we also listened to the member for Nanaimo—Cowichan as he also described some of the horrors of war both past and fairly recently, including the gulf war and the gulf war syndrome.

• (1550)

We realize that war is a terrible thing and that people are involved in it not because they enjoy it but because they feel a sense of duty and want to be involved for the pursuit of peace and democracy.

We realize once again that we do owe them more than just a thank you for a job well done. We need to come through with more than just kind words and phrases, but with actions and deeds as well. That is why it is a privilege for me to speak to Bill C–67, the bill that deals with the Veterans Review and Appeal Board Act.

The government has stated in this House a number of times that the goal of this legislation is to speed up the time it takes veterans to get their disability pensions without the veterans losing any of the rights they currently possess. This too is the aim of the Reform Party. Yet we disagree with the means to this end.

One of the main points of disagreement centres on whether the Bureau of Pension Advocates should remain an independent body at the disposal of veterans at the first level or whether it should be made part of the department reserved for the appeal level only. A number of arguments have been made in the Standing Committee on National Defence and Veterans Affairs and in this House as well in this regard. They have been reviewed extensively by my colleagues in the Reform Party, my fellow MPs who sit in this part of the House. After careful consideration we have concluded that the Bureau of Pension Advocates should remain an independent body at the disposal of all veterans.

Let me explain. I fail to see how removing the bureau from the first level will save any time in the current system. The only way to speed up the system is to ensure that more applications are accepted at the first level. These applications must be well prepared, because the department currently rejects 70 per cent of first applications but then goes on to accept 80 per cent of appeals at the second or third levels.

The typical time it takes for a bureau lawyer to prepare an application is two to three months, a modest period of time to prepare a case when the veteran is forced to do battle with the department to receive a disability pension. The remaining delays at the first level, which can take up to a year and a half, are the responsibility of the department. Ironically, the government feels that removing the bureau from the first level will speed up the system because they will now focus on appeals only.

Under this legislation, the government intends to have a department clerk assist the veterans in filling out their first level application. The first level decision will then be adjudicated within the department. It could be true the first level decision will be faster, but will the acceptance rate be greater than the current 30 per cent? Given the department's past record of

rejecting 70 per cent of first level applications, I doubt if this will change. We have no reason to believe that Bill C–67 will improve this situation.

If the veteran then has to appeal his case, he will have to go to a bureau lawyer who works for the department directly. This lawyer, who answers to the minister, must start to prepare the appellant's case from scratch, which will take months or years, because there is nothing in this bill that will speed up the appeal process, which currently takes up to three and a half years.

One gentleman who had served in the armed forces for a number of years waited approximately five years to receive a disability pension for military related injuries. This was after he had made several long trips for medical examinations for the appeal process and after he had written a number of letters to the department.

Veterans are becoming increasingly frustrated, frustrated to the point that many are unwilling to go through the lengthy appeal process. How many bureaucratic hoops must these veterans jump through to receive what they are legally entitled to?

If the government intends to focus all the bureau resources on the appeal level, it is obvious the first level acceptance rate will not increase. The majority of veterans will still have to wait years to get their disability pension. With an average age of veterans approaching 74, this is too little and too late.

I firmly believe that if the process is to be speeded up, the first level acceptance rate must be increased so there are few appeals. The way to accomplish this is twofold: first, have the first level application expertly filled out by a bureau lawyer so the veteran's case is solid; second, the department should consider the success rate for past appeals, which is 80 per cent, and use the benefit of the doubt clause more liberally to increase the first level acceptance rate. This two–track approach would substantially speed up the system and serve the best interests of all veterans.

The government in this piece of legislation has also proposed the merging of the Canadian Pension Commission and the Veterans Appeal Board. It has been implied that this amalgamation will streamline delivery and hence cut turnaround time for pensions in half and eliminate the backlog in two years. This is to be done without affecting veterans' benefits or appeal rights.

• (1555)

As this House knows, the Reform Party is in favour of streamlining government and eliminating bureaucratic entanglements. However, there must be some guarantee that the veterans will receive what they are entitled to in the shortest period of time. As I have already noted, only 30 per cent of veterans' claims are accepted by the Canada Pension Commission, whereas 80 per cent of the appeals heard by the Veterans Appeal Board are accepted. Why is there such a discrepancy in the rulings of the two commissions?

Currently the Canada Pension Commission has an independent policy from that of the Veterans Appeal Board to determine what constitutes a disability. With 70 per cent rejection of veterans' claims by the Canada Pension Commission, it is evidence that they have taken a more restrictive view of the assessment of disabilities than the Veterans Appeal Board.

What position will the new amalgamated board take? Will it take a more restrictive position, as that of the Canadian Pension Commission, or will it take a more liberal position, as that of the Veterans Appeal Board? A more restrictive position taken by the board will undoubtedly increase the number of second appeals and lengthen the average turnaround time. Therefore it is essential that if the two boards amalgamate they adopt the more liberal policy of the Veterans Appeal Board. Any other position would adversely affect veterans' rights and benefits.

In addition, there is some concern from veterans whether or not the proposed Veterans Review and Appeal Board will provide for a new and independent look at each of the levels or simply be a review and appeal process. Under the new board, commissioners may hear both reviews and appeals but not of the same case. The whole review and appeal process would lose its independent look. As a result, any appeal would essentially follow the department's stated policy and procedure. The checks and balances the two independent boards have provided would be lost. Further, there would be no reason for a veteran to appeal any decision made at the first level.

We have given our veterans medals. We have honoured them in ceremonies, and rightly so. We have given our veterans parades. However, we have failed to provide our veterans with adequate financial compensation for their faithful and loyal service to this country when it was due.

We in this House have a moral obligation to provide support to veterans in a reliable and timely manner. How else can we say thank you to those individuals who laid down their lives for us?

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.
And more than five members having risen:

The Deputy Speaker: Call in the members.

[*Translation*]

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(*a*), the recorded division on the question now before the House stands deffered until 6:30 p.m. today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

• (1600)

[*English*]

OLD AGE SECURITY ACT

The House resumed from May 8, consideration of Bill C–54, an act to amend the Old Age Security Act, the Canada pension plan, the Children's Special Allowances Act and the Unemployment Insurance Act, as reported (with amendments) from the committee; and of Motions Nos. 5, 6 and 7.

The Deputy Speaker: Because of circumstances, the hon. member for Calgary North has the floor.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I appreciate the opportunity to speak on group No. 4, amendments to clause 23 of Bill C–54.

For Canadians watching the debate, I will repeat that the bill is an attempt to make the administration of some of the government social services programs more streamlined, a little more user friendly, so to speak. We think that is a good idea but there is real concern expressed in this group of motions about the accountability in the administration of these acts.

The Bloc has put forward two amendments to clause 23 and Reform has put forward one amendment to clause 23. In fact, that is the only amendment we have put forward on the entire bill.

The purpose of our amendment is to ensure accountability of the administration of these new rules and procedures. We think it is right and proper that our citizens have access to these programs in a way that is not unduly bureaucratic and which removes as much red tape as possible. We are also very concerned that it also removes the accountability of the department and the administrators of the program from the people because it removes needed accountability to Parliament.

We believe the amendment we are suggesting to the bill and to clause 23 specifically would make the system more accountable. We think they are very modest and sensible proposals. We have not put forward a number of amendments but we think the issue of accountability is so key and so necessary that we felt the amendment we put forward ought to be seriously considered and passed by the House.

The amendment we have put forward is set out in today's Order Paper on page 17 under Motion No. 7.

Essentially the motion calls for the minister to be required to make a report to the House every year within 30 days of the beginning of the fiscal year. The report would tally the overpayments under these programs, particularly CPP and OAS and the amount of the overpayments. At the very least, the minister and his department should be accountable to the House and therefore, to the Canadian people we represent.

The House should know exactly how much the overpayment is because it really identifies administrative error, waste and inefficiency. If overpayments are being made, clearly the department is not doing its job very well. Overpayments, of course, very properly suggest these are payments over and above what should be made.

It is necessary because the dollars available to assist people in need under programs are becoming more scarce, with the possibility of CPP going broke in the next few years. It is very important that the dollars available actually reach the people who are entitled to them. If dollars are going to people who are not entitled to them, then clearly some of the difficulties these programs are in will hit hardest the people who do need those moneys.

Therefore, we think right after the beginning of the fiscal year, the minister should give a report to Parliament through the operating committee, of the administrative error that has taken place in the last fiscal year.

• (1605)

It is all very well for the minister to report the overpayment and the errors that have been made by his department, but then what happens? The report will then be considered by the appropriate committee and the committee will then decide to what level the minister may have leeway to overpay for the next year.

For example, if the department has made overpayments under these programs of, say, $3 million the year before, the parliamentary committee may say to the department: "This is simply unacceptable. We will make you accountable by putting a cap of only $1 million on the errors and overpayments you can make next year. We think that is plenty of room for error and we want you to operate in that range". The committee then will decide how much margin for error that particular department can operate under.

This is sensible and sound management of very scarce and needed dollars. It would give the minister a target and goal and some parameters within which to operate. This limit would be considered by a proper authority, which is Parliament itself.

Someone running a business, a board of directors of a company, a school board, a union and even a household have to have some kind of budgetary parameters within which to operate. If there is an unlimited ability to overspend and to make errors in spending, two things happen. One is that the operation pretty soon does not operate on a sound fiscal basis and does not live within its means. The other is that money which is needed in other areas is simply not available because it has been wasted or not properly allocated in the area being considered.

I think that this is nothing but a very sensible, sound and modest way of ensuring that there is some accountability in the spending of the department under this bill. Under these new proposals we can effectively judge how well and how sensibly the program is being run.

Without this kind of accountability we lose a couple of things that are very important to sound management. One is the paper trail. There has to be some record kept of spending, where it has gone and why there has been overspending so that there can be a good assessment of how soundly things are being run. We also lose track of where the money is going. We do not want to do that. That is important not just because of some accounting fetish, but because money goes to people and the people who are entitled to the money need it and are entitled to know that is being well managed and put forward sensibly.

I urge the House to adopt this motion put forward by the Reform Party. It enhances the bill. It enhances the service to people and enhances our need to be accountable to the Canadian public.

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, I find it fascinating to be discussing Motion No. 7 because of what the Reform Party is advocating. It is advocating that the minister's discretion with respect to forgiving overpayments should be wiped away and this special kind of power given to the highest ranking officer.

• (1610)

Mrs. Ablonczy: No, that is not true. It should not be wiped away. It should be accountable.

Mr. Dromisky: —to forgiving.

Let me begin my discussion of this amendment by outlining briefly what it contains.

The Reform Party proposes that the minister should report to the House how much overpayment benefit money is forgiven each year. That is a simple request. The minister should make recommendations regarding how much he should be permitted to forgive in the upcoming year. The Reform Party believes that the minister has a crystal ball and knows exactly how many cases are going to appear before him and his ministry. Therefore, he should be able to make such a judgment for the future 12 months.

Reform proposes that a parliamentary committee should set limits on how much may be forgiven in a year. Again we have to use the crystal ball. The proposal also suggests that no amount may be forgiven until the committee sets the yearly total and no amount may be forgiven once that total has been reached.

When I first heard the motion, I could hardly believe my ears. The Reform Party is supposed to be the party which believes that less government is better government. Yet that very same party introduced the motion which would add extra processes, extra time, extra layers of bureaucracy and extra costs to the administration of the old age security program. It really is amazing.

Motion No. 7 betrays the Reform Party's fixation on the minute details of the OAS program. Members opposite seek to micromanage the program and the minister at great cost and for no benefit whatsoever. It would like to have complete control over every minute detail, every tiny aspect of the entire program.

As usual, it is instructive to look at the facts surrounding the motion. It is also worth while to note that these facts are at the disposal of the Reform Party, as they are at the disposal of all members of the House.

The Minister of Human Resources Development currently forgives something less than $1 million in old age security overpayments each year. As we have noted in debating other motions, the minister is responsible for that amount but does not have carte blanche to forgive overpayments. Certain conditions must exist before the overpayment can be forgiven.

As the old age security program pays benefits in the order of $18.5 billion each year, the rate at which overpayments are forgiven is something in the order of five one–thousandths of one per cent of the benefits paid. In addition, the amounts are already reported to Parliament in the context of the annual main estimates and public accounts. I will repeat that for the benefit of Reform members. These amounts are already reported to Parliament in the context of the annual main estimates and public accounts. Hon. members already have the opportunity to examine all of the figures in depth.

The motion by the Reform Party would create a duplication of these processes, and to what gain? So that Reform members can micromanage the minister's use of his discretion to forgive overpayments which amount to something in the order of five one–thousandths of one per cent of the program's expenditures.

If the motion were adopted, it could lead to disaster. Imagine a committee setting a small limit on the amount which could be forgiven. If that amount of money were used up in eight months time, let us say, what would happen to the cases which occurred

in the final four months of the year? The government would have to tell those individuals that they must repay their debts even though their circumstances were similar or worse than someone who was overpaid a few months earlier. I do not consider this a fair practice and no one else in the House does.

• (1615)

With regard to the motions to amend Bill C–54 moved by the Bloc and the Reform Party, the government finds itself right in the middle. In one of the motions the Bloc Quebecois demands the minister be required to forgive overpayments without regard to the ability of the client to repay the amount. In Motion No. 7 the Reform Party seeks to prevent the minister from using his authority to forgive benefit overpayments compassionately by placing limits which would have to be respected no matter what the ability of the pensioner to repay the overpaid amount.

On one hand we have a party that says never collect any overpayment and on the other hand we have a party that says never forgive any overpayment. The government recognizes the need to recover moneys where warranted and to forgive repayment where appropriate. I also believe ministers must retain responsibility for the administration of their programs and that this responsibility should not be removed, as would be in the case of either Motion No. 6 or Motion No. 7 if adopted.

I firmly oppose Motion No. 7. I urge all hon. members in the House to do likewise and to move to the speedy passage of this legislation.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, members of the official opposition are used to seeing their amendments or their comments misunderstood or not understood at all. This is once again the case. It must be understood that we are significantly amending an act, and that seniors or people who are eligible either for the Canada Pension Plan or for family allowances may discover, at some point, that they received more money than they were entitled to.

The current act, which we are in the process of amending, includes a provision which is fair in that it provides the following, and I quote: "Where a person has received or obtained a benefit payment to which the person is not entitled, or a benefit payment in excess of the amount of the benefit payment to which the person is entitled, the amount of that benefit payment or the excess amount, as the case may be, constitutes a debt due to Her Majesty and may be recovered in proceedings commenced (a) at any time, where that person made a wilful misrepresentation or committed fraud for the purpose of receiving or obtaining that amount or excess amount". In other words, if someone cheats, the government can, at any time, recover the money.

However, there is also a (b) in the existing section, and we hope that the government will listen and keep that provision. Part (b) provides this: "in any case where paragraph (a) does not apply, at any time before the end of the fiscal year immediately following the fiscal year in which that amount or excess amount was received or obtained". We will see what these other cases are.

We feel that the (b) part should be kept. But what is the government doing? It is eliminating that provision. The government says that any such payment constitutes a debt to Her Majesty, as though the recipients were cheaters. I agree that the government is significantly amending the legislation to make things easier for the public. For example, I can think of the income supplement for needy elderly people. As you know, these people currently have to sign a form every year. The bill before us provides that they will no longer have to sign that form. However, it could be that, without any ill intent on the part of the elderly, their situation may change, because they inherited some money or for whatever reason, so that they are no longer eligible for a supplement, but will not know that and may continue to receive such supplement for years, until someone finds out.

• (1620)

Without being in any way guilty or even responsible, they would find themselves in the situation of having to pay back a large sum, even though responsibility for the overpayment might rest entirely with the system. I asked the committee to ensure that people knew what they were entitled to annually. I was told that that would be done through the regulations. I have no guarantee. I was shown nothing.

It seems to me that we cannot, on the one hand, increase the opportunities for administrative errors and, on the other, remove this limit, which forces the government to recognize that people are not required to pay for the errors it makes, because in fact, in this bill, the government is doing two things. It is taking away the five–year period within which a person could make a claim for benefits to which he was entitled. There was agreement with that, but at the same time, the government is giving itself unlimited powers to go after these amounts, which again may not have been fraudulently obtained, but might simply be the result of an administrative error. It is giving itself the power to subject members of the public to serious hardship, even in the case of an administrative error. We know that the people in question are generally seniors or families on income support.

Therefore, it seems to me that this is a measure worthy of the government's attention. We are concerned about the likelihood of administrative errors, and we will be supporting the Reform Party's amendment, and adding an amendment to the amendment deleting subsections 7 and 8.

The Reform Party wants members to be told exactly how the legislation has been administered so that they are aware of the large number of errors that have been made. We are in agreement with that, but do not agree that the government should not correct the errors, and we can be sure that the government will wish to correct them only in those cases where there has been prejudice done. We do not agree that errors should be allowed to stand until the House moves in this regard, particularly as any motion it brings forward can only be a recommendation.

Here is the amendment. I move, seconded by the member for Argenteuil—Papineau:

That Motion No. 7 be amended by deleting the new subsections (7) and (8).

But, it boils down to the same thing. Yes, we should improve the administration of the law but, in doing so, we should be very careful not to increase administrative errors and inconvenience people who are most in need and who are often unable to defend themselves. Individuals should not have to pay.

The current two subsections of the act stipulate that the government can recover its due at any time, regardless of the time which has passed since payment, if fraud is involved. If administrative or other errors were in play—mostly administrative errors—the stipulated time period is one year, and I stress this point all the more because this provision is contained in legislation, which increases the likelihood of administrative errors. I would like to take this opportunity to point out that we know, from what has gone on in our ridings, that when the new computer program was introduced, there were many administrative errors.

• (1625)

These administrative errors hit citizens hard, citizens who did not receive any pension cheques at all. Those are obvious errors. When people stop receiving pension cheques, often, they call their MP, and I am glad that that is what happens. But, other administrative errors occurred, causing people to receive supplements to which they were not entitled.

I do not know whether you have ever helped people of a certain age who do not quite know how to go about it or what their entitlements are to fill in those forms. They can easily, with the best intentions, end up receiving benefits to which they are not entitled and have no idea what to do to fix the situation. In those circumstances, the same errors which deprived people of their entitlements could have the effect of giving people benefits to which they were not entitled, which they did not seek to obtain and which they could be obliged to pay back at one point. In my opinion, that is very unjust.

The government should take this matter seriously. Is that not the rule of thumb to ensure that administrative errors do not occur? Nothing is easier when cutting the payroll than letting administrative errors go by.

I am not saying that this is the government's aim but that there is nothing meaner and more stupid than wholesale jobs cuts which end up negatively affecting seniors in particular.

I hope that they will listen to our message, which is not an extremist message, contrary to what my honourable colleague said, but one of reason and compassion for people. Far from being extreme, our position consists of maintaining in part the current legislation. It appears to me that it is more my honourable colleagues opposite who are breaking with the Liberal tradition, which used to take into consideration the rights of people and was compassionate with them, a tradition which is broken with here. I invite them to correct this serious error in approach.

The Deputy Speaker: I declare the amendment to the amendment by the hon. member for Mercier in order. We shall therefore continue debate on the same group, including the amendment moved by the member for Mercier.

[*English*]

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, the days have long since past when individual Canadians had to rely only on themselves, their families and their community for support during times of either unemployment or old age. Instead, the federal government has created the complicated system of tax funded programs of support, often called our social safety net. Like any other net it is full of holes, some of which are intentional but some of which merely represent aspects of serving the public which were not anticipated when the original legislation was drawn.

Bill C–54 represents the most recent efforts of the Government of Canada to mend some of those unintentional holes in our national safety net. It pertains to several major pieces of legislation, including the Old Age Security Act, the Canadian pension plan, the Children's Special Allowances Act and the Unemployment Insurance Act.

The fact that it covers such a large amount of earlier legislation makes one suspect Bill C–54 will be complicated. In that regard the suspicion is correct. Several members of Parliament have spent many hours studying and digesting what the government has proposed here.

• (1630)

According to the legislative summary provided by the economics division of the Library of Parliament research, the government intended Bill C–54 to achieve the following goals: to improve service to clients of these major income support measures; to better co–ordinate programs, administration and the actual delivery of service; to eliminate some inconsistencies between old age security and the Canada pension plan programs;

to reduce administrative costs, and to save some trees and some time by reducing duplication and paper burden, both for the departments and their clients; and finally, to help members of Parliament to better serve our constituents.

These changes will have wide ranging impact since they are expected to benefit some 1.4 million seniors and save the taxpayer about $10 million annually. Of course, nearly all Canadians, including those in the Reform Party of Canada, would approve of these goals. We all want more efficient government, fewer program duplications and reduced federal expenses. As one might expect, however, it is how the government proposes to undertake these much desired improvements that has led some of us to propose amendments to Bill C–54.

The first section of Bill C–54 deals in clauses 1 through 24 with the Old Age Security Act. I must report to this House that my constituency office frequently receives complaints from seniors who are caught up in the red tape of the Old Age Security Act sections.

People receiving the spouses allowance, SPA, and the guaranteed income supplement, GIS, are required to reapply every single year preventing any payments from being made when the new fiscal year begins each April 1 until those applications have been received and approved. Single handedly that requirement imposes real hardship on the very Canadians this legislation was aimed at helping, namely low income seniors whose cheques are often delayed, for example if some bureaucrat decides that information on the application must be verified.

The simple fact is that the income of these least well off seniors does not change much from year to year. Therefore it seems to me to make far more sense to require only that seniors must report changes to their yearly income. No report received means there is no change.

On behalf of those seniors I personally congratulate the government for eliminating the very irritating and generally unnecessary piece of red tape. However, the question is not that simple.

A House committee has been at work on Bill C–54. The result of the committee's work is a series of proposed amendments which this place has been treating in groups for the purpose of organizing the debate.

Clause 23 of that first section of Bill C–54 is the subject of amendments, or Motions Nos. 5 and 6 proposed by the Bloc Quebecois as well as Motion No. 7 put forward by the Reform Party of Canada.

Clause 23 deals with overpayments that people may have received. Our position regarding Motion No. 5 is that when Canadians receive payment to which they are not entitled, they should pay the amount back except in those circumstances such as hardship or death, which already appear on page 10 of the bill.

Regarding Bloc Motion No. 6, we oppose it because we believe that department officials should stand behind their advice and be accountable regarding our tax dollars. This unaccountability by the bureaucrats and in some regards the politicians has gone on far too long.

Regarding Motion No. 7, the Reform Party's concern primarily relates to keeping the minister accountable to Parliament. This has been overlooked for years. It is time that the minister started to accept some of that accountability.

Motion No. 7 asks the minister to report annually to this House regarding overpayments in either Canada pension plan or old age security, providing details of their cost to taxpayers. A parliamentary committee would then study this report and make its recommendations regarding what the minister could or could not remit the following year.

Motion No. 7 has the great advantage of keeping the department and its minister accountable to the Canadian people through members of Parliament who are the people's elected representatives. What I am saying here is opposite to that which the member on the other side said a few minutes ago. We in the Reform Party say maybe it is time that MPs started to buckle down and do some work on their own to help the minister out and not just to pass it off.

• (1635)

Very often even in my own riding of Okanagan—Shuswap I hear complaints from voters that civil servants and bureaucrats can do whatever they want with no accountability to the people who pay their salaries. It is an ongoing complaint and not only in my constituency. I am sure hon. members on the other side have had the same thing happen. They must hear it at the parties they go to or from the friends they associate with. It is an ongoing concern in Canada that has to be addressed.

We must take every responsible opportunity to correct this situation, where both bureaucrats and the courts run this country instead of having a government of the people, by the people, for the people. Too often we have government of the Ottawa mandarins for their own purpose, or governments of the lawyers and the judges, all too often to protect the rights of the criminals rather than to defend the interests of the vast majority of law–abiding citizens.

Until we can bring accountability back into this House we will always have this complaint from our constituents. It is unnecessary. It is something we must address and I believe Motion No. 7 is the first step in a long process.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am very pleased to be able to address this particular matter today. When I came here in the fall of 1993 one of the biggest promises I made to the constituents of Elk Island who elected me was to exert pressure on the government to be accountable for the way the taxpayers' hard earned dollars were being spent.

I remember very distinctly one of the things which shocked me when I arrived here. There was an orientation for new members. The individual making the presentation told us what our office budgets were and explained the formula. Then he said that it did not matter, that we could spend more, that we could spend any amount we wanted to. I was getting upset and as a brand new member I did not know what to do. Should I get up and say that is wrong and we should not do that? I was getting quite angry about this carte blanche that an MP had to spend any amount he wanted.

Then the presenter said that to remember, any amount we overextended or overspent on our budget or any category in it would simply be deducted from our salary. I immediately relaxed and was happy. He was obviously building it up. He said that as a member of Parliament I had a personal responsibility to be within my budget. If I am not trustworthy or not on the bit in terms of managing my budget, then it would come out of my own pocket.

When I left that meeting I remembered how my emotions went up with anger and down with great delight that there was one level of accountability. I then asked some of my colleagues if it would not be wonderful if we could require that same level of accountability from all members of the government, all of the bureaucrats. A deputy minister would be required to give up a portion of his salary for overspending the budget.

I have been watching the budget and we have been working in committee on the estimates for the year and I am appalled. Over and over we hear about cuts, cuts, cuts. Yet in every set of estimates I have looked at so far the spending is up. The people of Canada need to know that total government spending under this new, much touted cutting budget is actually $2 billion more than last year. The people of Canada and members of this House ought to know that we are spending more and more.

When the hon. member from the governing Liberal Party was speaking earlier, he made some comments about the Reformers. He said that here is this group of Reformers who want accountability and all they are doing is proposing something that will cost more money. The member then said that the amount of overspending is not really that much. Why, it is only five one–thousandths of one per cent.

• (1640)

Five one thousandths of one per cent is certainly not excessive if it is put that way. But if we look at the tens of millions of dollars which are overspent because of administrative errors, because of lack of accountability and lack of resolve, I think that maybe 100 taxpayers would be required to pay their total tax bills just to pay for the overpayment. If we got those 100 taxpayers, or 1,000 taxpayers or however many are needed to come up with the tax dollars to fund this administrative error, I think we would have howls of protest. Perhaps then we would have a greater cry for accountability.

The member said that it is an administrative hassle. It will cost money to ask the minister to be accountable for the overpayments. Yes, indeed, accounting for money is a cost item. As any person who has ever been in business will tell us, the money which is spent on reliable accountants and on acceptable accounting procedures is usually money well spent. Money which is spent in providing accountability usually provides a saving of an amount much greater than the amount which is required to deliver on that accountability.

I would speak against the Bloc amendment to the Reform motion. What we are doing is we are promoting accountability.

The cry from the other side was that these people do not care, that we want to cut people off. Another statement was that we want to prevent the minister from being able to do his job. Wrong on both counts.

We in the Reform Party believe it is time we managed our fiscal affairs in such a way that we do not go down the tubes, so that we do maintain the ability to help people who are truly in need. As long as we keep on wasting money because we are too lazy to account for it, we are diving headlong into a disaster. That will prevent us from doing anything for anyone because we will have either runaway inflation or increased taxes and probably both in order to try to bail us out of a fiscal problem which was generated by governments over the past 30 years. There is probably nothing more urgent than bringing accountability to the whole process.

There is a recommendation in our motion that the minister must include his recommendations in his report. In other words, we are not saying that the minister cannot do his job; we are telling the minister to do his job and to do it well. Where it can be improved, he should bring his recommendations to the House. We will then provide assistance, via the House or a committee, so that we can be more efficient and better stewards of the money which Canadian taxpayers entrust to us.

We are saying to the minister that if he is overspending because of administrative errors, if he is giving money to people to whom it is not due, that money should be recoverable. If there are mitigating circumstances which would recommend that on compassionate grounds or for whatever reason it will not be paid back, we want to know why that is so. We want to know what the minister is going to do about it. Many years a go a very wise

teacher of mine said: "If you set no goals, you will be sure to reach them. If you aim for nothing, you will be sure to hit it".

• (1645)

We are asking the minister to account for administrative errors in his department that cost the taxpayers money. We are asking the minister to come up with a plan that will save the taxpayers money. I do not think anyone would argue that when there is increasing competition for increasingly rare dollars from government, the money should go to people to whom it is intended. If someone receives money, whether it is OAS or CPP or UIC, to which they are not entitled it is actually a violation of the rights of the people who need it and it should be paid back unless there are very severe mitigating circumstances.

We want the minister to aim ever higher. We want the minister to say: "Last year this amount of unauthorized payments were made and we could not collect it back". We want the minister to stand in the House or table a report that will say what the amount was. He must be up front with the taxpayers who are footing the bill. Then he must also show his plan for reducing those costs. He must show what he is prepared to do in order to make the administration more efficient to reduce the number of people receiving payments to which they are not entitled. If the minister aims at nothing or says if we will have a certain amount of overpayment, so be it, we cannot improve, that is exactly what will happen. There will be no improvement.

However, as our amendment suggests, if the minister is required to give a report, stage his plans for doing better then we hopefully will find there will be improvement and fewer people will receive money to which they are not entitled. There will hopefully be fewer people required to pay back money they should not have received because the administrative procedures will be so honed to a fine art that people who are not entitled to receive money will not receive it. That is the ultimate goal for which we should strive and the goal which we should keep in mind and work toward until it is actually met.

We recognize it is not possible for a minister to micromanage his department. We say without equivocation that if the committees are to have any function in the House, as we were told by the so–called Liberal red book, we were to have more meaningful activities for MPs, let them work in the committees and deal with these recommendations.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, it is with considerable amount of trepidation and at the same time a certain sense of responsibility that I rise in the debate on the bill.

What is operating here is a plea for accountability, compassion and responsibility, efficiency and businesslike operation of the affairs of the House.

In particular I draw the attention of the House to Motion No. 7, the Reform Party motion calling for the minister to make a report to the House on where overpayments of CPP and OAS were made and at what cost to the Canadian taxpayer.

I am sure members of the House recognize only too well the largest group of people in Canada that deserves compassion today are the taxpayers. All taxpayers are burdened, be they young or old. They are paying taxes to a point at which they believe it has become excessive. They find themselves unable to do many of the things they want to do. They want to get into some of the larger purchases. They want to buy houses, cars, appliances and they find their discretionary income is getting lower and lower even though their gross salary is increasing.

• (1650)

We need to exercise some compassion. One of the greatest examples of compassion the House could demonstrate is that the money given to us by taxpayers be treated as money given to us in trust, money not to be spent willy–nilly at whatever whim or fancy might strike us at a particular time.

What is being called upon here is for the minister to say to all of his servants, the servants to the House and to the people of Canada: "Do your administration honestly, do it fairly and do it consistent with the legislation".

To the credit of most of our civil servants I must admit to the House that my association with our civil servants has been exemplary. They have done what they could and they do make mistakes, just as all of us make mistakes from time to time. When they make a mistake who is responsible? If the servant to the minister makes a mistake that servant is responsible to the minister but it is the minister who is responsible for the action of the people he has employed who report to him. The minister is responsible to the House for the actions taken by him and under his direction the staff he has appointed.

Therefore we ask that if there is an overpayment a committee do study these issues and they be reported to the House so that the responsibility can come back to the House. This is the Parliament of Canada. Here the legislation is enacted; here the responsibility ought to be demonstrated to all of the people of Canada.

It is with pride that we sit here. It is with the responsibility of knowing we are managing the people's money that we should approach the various aspects of the administration. It is with this intent that I come before the House to say the time has come to be accountable, to be responsible and to recognize it is not just the response we make to a stimulus but that we exercise the ability and the skill we have developed in the background we have so the right decision is made to emphasize that it helps the people who need the help the most.

Another group of people needs compassion. Those are the people who need to be helped by our social safety nets. There are many of them. There are those in our society, sad to say, who abuse the system, who use fraudulent means to apply for these benefits, who are dishonest in the information they include. They are responsible for the actions they have taken and they should be called to account. That is why this recommendation in this particular bill, to amend the bill, so that those overpayments do indeed become a debt to the crown. These are necessary and they ought to be enforced.

Then there is that other group that may well have received through administrative error or something else additional funds. Those people may through no fault of their own have spent more money than they probably should have are now unable to repay even though they may have received the amounts in error. Then a judgment call needs to be made. At that point the minister should exercise his responsibility. If he can defend that decision in the House, I am sure there are enough compassionate people in the House who would say there are those who ought to be forgiven.

We as a nation and as individuals would be the most despairing people and the most despicable people if we could not learn to forgive. Where there are honest mistakes made we ought to forgive; where people demand compassion, we must be able to give them that forgiveness. It can be done; it should be done.

Let us be accountable. Let us be compassionate to our taxpayers so we do not spend more money than we have to and recognize they are already overburdened in the taxes they are paying. Then let us call those to account who are responsible for the administration. They report to the House, they report to one another and they do these things honestly, credibly and efficiently. Let us all forgive where that needs to be done, where there are good reasons to forgive.

• (1655)

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, it is a pleasure to speak to Motion No. 7, the amendment put forward by the Reform Party.

Why is commons sense usually the first victim when we give consideration to change? I have stood in the House on more occasions than I wish to count and have seen that basic common sense becomes a trade–off between positive ideas for change and partisan politics.

Canada has reached a crossroads. Our fiscal situation has prompted a country wide debate on the state of our social security programs. Our safety net is financially unsustainable and many of the programs reflect waste and disturbing inefficiencies which will ultimately hurt the very people these programs were meant to help.

Motion No. 7 is one we believe can make the system more accountable. Accountability is one of the basic planks on which I was elected. I made a promise to constituents that all of my analysis, all of the efforts and work undertaken on their behalf would reflect that commitment to accountability.

There are many occasions in the House when all of us receive letters from constituents who write to us from their heart about expenditures and the danger to the basic structure of our social programs. When I get these letters I know why I am here challenging the government, demanding accountability on behalf of the Canadians we represent and using common sense in the deliberations we debate.

I received a letter from a lady named Irene in February of this year. Irene wants some answers to some very basic questions. She writes from her heart. She asks about accountability: "Dear member of Parliament, I am a senior citizen who is proud to call myself Canadian. However, I have become more and more concerned with the handling of our budget by our government. I have decided to participate in the process by writing this open letter to all members of Parliament regardless of party affiliation to communicate my concern over what I and many of my friends and family see as utter waste regarding unrealistic expectations and greed and total absence of conscience for the spending of public money".

She is doing what I would call her political work, participating in the process. She goes on to say: "I have been elected spokesperson by my group of friends, hence the lengthy list of suggested budgetary cuts. By cutting the following expenses we can perhaps cut less from programs that we have supported with our many years of hard work and money. Although these are but basic and straightforward budget cuts, surely the more unpalatable cuts will be seen less as another blow to the ordinary Canadian if it is perceived that all expenses are open to scrutiny".

What she is asking for is accountability. She goes on to list two pages full of cuts she believes would be appropriate and useful for government to take under consideration. Something in her last point I found quite interesting: "Why not increase the resources of the auditor general to find waste and duplication which they manage to find every year?" I thought that was appropriate to bring into the debate today since we are looking at our estimates: "However, rather than just report it, why not increase the personnel so that follow–up action may be taken? Every year we hear about all the waste and duplication in different government departments. However, once the report is made public, is that all there is? Is there any follow–up and/or guidance for the guilty parties?"

Irene once again is simply seeking accountability.

• (1700)

In Motion No. 7, which is basic common sense, we are trying to bring accountability to that system so that we can say to Irene: "Yes indeed, there is follow up to government waste. There is follow up to issues and problems as they arise within the bureaucracy".

Having said that, I want to go through the point that Motion No. 7 refers to because it is important to have for the record a very common sense motion that reflects the values of the Reform Party.

The motion calls for the minister to make a report to the House on where overpayments in CPP and OAS were made and at what cost to the Canadian taxpayer. That comment is very much reflected in Irene's letter to me. It is basic information about the government's bottom line. The report will then be studied by a parliamentary committee made up of representatives of the people who have entrusted us to make decisions based on the Canadian taxpayers' best interests with compassion and to do that with transparency.

The committee and not the bureaucrats will decide what the minister can or cannot remit next year. It will make recommendations on where and how to reduce the cost to the Canadian people in overpayment. That is just and fair.

If this motion is adopted, it will return accountability to where it belongs, in Parliament and not in the hands of the minister or senior bureaucrats of the department where everything is done behind closed doors. Let not the momentum of mediocrity continue to plague the actions of the House as we move toward change and become openly and completely accountable to the Canadian people.

[*Translation*]

The Deputy Speaker: My colleagues, it is my duty to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Mackenzie—Canadian National.

[*English*]

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I have been quite surprised by the Bloc amendment to the motion that we proposed.

The Deputy Speaker: I believe the hon. member has already spoken to this motion, has she not?

Mrs. Ablonczy: Mr. Speaker, no, I spoke to the motion but not to the Bloc's amendment.

The Deputy Speaker: Since it is the same vote, the member is precluded from speaking twice to the matter.

Mrs. Ablonczy: Mr. Speaker, on a point of order, I am a little puzzled. My motion has been amended and yet I have no way of expressing in debate my response to that.

The Deputy Speaker: My understanding is that the matters were all grouped for debate. The member is correct that she did not have knowledge of the amendment before she spoke earlier today. Accordingly, unless anyone else wishes to intervene on the matter, I can see no reason why she cannot speak.

Mrs. Ablonczy: Mr. Speaker, I find the amendment proposed by the Bloc to be extremely inconsistent with the stand that its members are taking on the bill.

Bloc members are erasing the accountability of the minister. They are saying that the minister should have discretion whether he exceeds any limits on overpayment. Yet in a number of their amendments, they say that the minister's discretion should be erased. Here they want to give the minister discretion by amending my amendment but in any other case, they do not want the minister to have discretion. I would ask the Bloc to consider the consistency of this amendment.

If they do not like the minister having absolute discretion in clause 38, why are they saying he should have absolute discretion in clause 23? I do not understand it at all.

• (1705)

Erasing subclauses (7) and (8) of our motion will make the committee's recommendation totally toothless. The Bloc members are the ones who are always hollering and screaming about the need for more fiscal accountability in the way government spends money and to quit adding to the debt.

We have tried to bring forward a very simple motion that would put some limits and some parameters around what a department can spend. The Bloc members do not want that. They want this department to have absolutely unlimited discretion to overspend, to make payments that are not legitimate, necessary or warranted, but there is nothing that Parliament can do to stop this. They do not want Parliament to be able to stop this but they are always complaining that departments are overspending.

I am really sorry but I fail to see the reasoning. The Bloc has not even put anyone up to explain why it is doing this. I see absolutely no reason why the Bloc is doing this. It seems entirely capricious and illogical.

I would ask my colleagues in the Bloc to reconsider the position they have taken which is not consistent, not logical, seems to serve no good purpose and flies in the face of the concerns they have expressed about this bill in their own motions.

It is all very well to say the committee would look at the overspending, but if Parliament has absolutely no ability to place limits on ministerial and departmental discretion what is the good of Parliament? Why are we sitting here? Is not the whole purpose of us being here to manage the affairs of the country in a realistic way?

If this amendment passes we are saying that if departments overpay, make all the mistakes they want, waste all the money they want, send the money here, there and everywhere, wherever they want, we cannot do anything about it nor do we want to do anything about it. God forbid that we should say: "This far and no more can your inefficiencies go".

I appeal to the members of the House to reconsider their position on this. If the minister wants to overspend and feels there are good reasons to do this and has a logical explanation, then he will have to convince a committee of the House, parliamentarians, people who were elected to manage our affairs and our money, that he has a good reason for needing to do this. Is that not the whole purpose of us being here or am I missing something?

I ask my friends in the Bloc for an explanation of why they proposed this amendment. Failing that, I can only urge on the House that it is totally frivolous. It is illogical. It is unnecessary. It flies in the face of what we are here for. I urge that it be voted down and the motion as proposed be accepted.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: The recorded division on the motion stands deferred.

The question is now on Motion No. 6. Is the House ready for the question.

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: The recorded division on the motion stands deferred.

• (1710)

[*English*]

The question is on the amendment to Motion No. 7. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), the recorded division on the amendment to Motion No. 7 stands deferred.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ)

Motion No. 12

That Bill C–54 be amended by deleting Clause 38.

He said: Mr. Speaker, finally, the last amendment to Bill C–54. In Motion No. 12 I move the following amendment:

[*English*]

Mrs. Ablonczy: Mr. Speaker, I rise on a point of order. As I understand it, the House voted on whether to accept the amendment to Motion No. 7 but not whether to accept Motion No. 7. We need to do that.

The Deputy Speaker: That will be done at the time of the deferred division.

[*Translation*]

Mr. Dumas: Mr. Speaker, in Motion No. 12 I move the following amendment: That Bill C–54 be amended by deleting clause 38, which reads as follows: "Where a decision is made by a Review Tribunal or the Pension Appeals Board in respect of a benefit, the Minister may stay—that is what it says—payment of the benefit until the latest of—there are three choices—(*a*) the expiration of the period allowed for making an application for

leave to appeal to the Pension Appeals Board, (*b*) the expiration of the period allowed for making an application under the Federal Court Act for judicial review of the decision, and (*c*) where Her Majesty has made an application under the Federal Court Act for judicial review of the decision, the month in which all proceedings in relation to the judicial review have been completed".

Why delete clause 38? Because the purpose of this amendment moved by the Bloc Quebecois, the official opposition, is to prevent the government from suspending payment of benefits during appeals, since these appeals arise from the government's failure to manage these programs satisfactorily. Senior citizens should not have to pay for the government's incompetence.

Clearly, the government wants to discourage senior citizens from filing appeals, since some people do not have the resources to tide them over this waiting period. Clause 38 of Bill C–54 provides no guarantees for adequate financial security for seniors.

In the report by the National Advisory Council on Aging, as I said before, the disposable incomes of seniors were as follows: the income of families where the head of the household is a senior is 60 to 80 per cent of the income of other Canadian families, depending on the standard used and the region.

• (1715)

In 1989, the average income of families where the head of the household was a senior was only $37,462 or 72 per cent of the income of families where the head of the household was under 65. In 1989, the average income of single persons aged 65 or over was $16,316, while the average income of single persons under 65 was $23,080. A single person, for the purposes of this clause, is a person who lives alone or in a household where he or she is not related to the other members of the household.

Single persons, whatever their age, tend to have relatively low incomes. Consequently, the gap between seniors and the rest of the population is not quite as wide for those who live alone as it is for families, but it is still significant.

By allowing himself to stay payment of the benefits during a review or an appeal, the minister is depriving recipients of money they need to live on, as it is often their only source of income.

Seventy–two per cent of retired women and 50 per cent of retired men receive old age security and guaranteed income supplement benefits. Only 5 per cent of seniors make more than $50,000. The life expectancy of seniors has increased. We must ensure that their extra years of life are satisfactory.

By tightening the conditions under which seniors can appeal what they consider an unfair decision, the government is trying to discourage them by reducing their income. Yet, the government itself admits that old age benefits are the only source of income for a considerable proportion of recipients.

Let us keep in mind that the federal government has already decided to reduce the deficit on the backs of the most vulnerable by lowering the age credit. As a result, all taxpayers aged 65 and over can apply for a tax credit equal to 17 per cent of $3,482 at the federal level and 20 per cent of $2,200 in Quebec. This credit is non–refundable, that is to say, it applies to the tax payable, and the excess portion cannot be refunded. The unused portion of the credit can, however, be transferred to the spouse.

On May 31, 1994, I rose in this House to oppose reducing the age credit. I reiterated that the feeble efforts to reduce spending were being made on the backs of the most vulnerable. During that speech, I also asked the minister responsible for seniors a question about the plan to install voice mail to answer inquiries from seniors.

The minister simply told us about the speed of the proposed service. I explained that many seniors are reluctant to use such a service and that they express this opinion on a regular basis. If you ask seniors how clause 38 will affect their decision about whether or not to appeal a decision, the answer is clear: seniors will not appeal because, for most of them, old age benefits are the only source of income.

In conclusion, the Bloc Quebecois, the official opposition, cannot remain silent and let the government reduce the deficit on the backs of seniors. Clause 38 of Bill C–54 must be deleted so that the government will not be able to stay payment of benefits during the appeal process.

[*English*]

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, again I rise on this question to try to persuade the government to make the right decision. Since the calls are made by the Liberals, with their majority whatever they decide will be, so I am going to try hard to persuade them in the correct way.

There has been considerable inconsistency from Bloc members, in the sense that with this amendment they are asking that we take away from the minister the discretion not to pay.

• (1720)

In other words, if the minister decides that somebody should not be entitled to some of these programs that are being dealt with in Bill C–54 and some administrative bureaucrat in the

system decides a person should not be receiving a benefit because the rules say he should no longer be receiving it, according to this amendment the minister would no longer have the right to stop the payments.

To me, this is ludicrous. On the one hand they move a subamendment to our motion, which would have the effect of not giving the minister the right to make payments when they are required, and here they are saying they do not want to have the minister have the right to not make payments when they are not required. That does not make sense to me.

As members opposite are thinking about this amendment, and I presume they will be opposed to it, I want to strongly urge them to be opposed to it. If the payments are not justifiable they are in breach of the rules, and the minister should be able to stop those payments.

Let us look at the scenario this sets up. A person receives money and the department says no more money. Then the person who is receiving appeals. During that appeal process, in which the wheels of government can take quite some time, these payments must be kept coming. If the person receiving them really wants to take the system for a ride, they will make sure that all of that money they receive is totally spent, so that if the appeal goes against them they will be able to say they cannot pay it back because they have no money. Then, on a compassionate ground or whatever, according to the previous rules that money would not be repayable.

It really means that the taxpayers are being totally dumped on in terms of accountability if this amendment is accepted. As I said, I urge the members opposite to pass the information on to their leadership so that the leadership gives the direction to them so they know how to vote and they will vote correctly in opposing this amendment.

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, it is easy to see from the large number of amendments prepared on the subject that the opposition is not in favour of making changes to the current appeal process.

I cannot speak for the opposition, but the Liberal Party of Canada believes that our seniors deserve the best. With the proposed changes to the appeal system we would be giving them the opportunity to have their decisions reviewed as quickly and fairly as possible under the best system we can offer.

Motion No. 12 is intriguing. By the debate that is taking place, we see it is also very frustrating and confusing for the members of the official opposition versus members of the third party opposite. The battle that is going on between the two clearly reveals to me and to other members of the House of Commons that there is no simple answer to the very complex operations of any great government such as we have in Canada. Simple solutions just do not exist.

However, both parties have for some time, close to 18 months, been advocating simple solutions to extremely complex problems. I am just wondering after this lengthy period of time whether or not that is a deliberate attempt, or perhaps it is simply a matter of fact, that both parties lack the ability to comprehend the complexity and profound depth of these government operations. Perhaps they are deliberately trying to confuse Canadians with these simplistic solutions and are therefore misguiding the voting population.

• (1725)

We should begin by noting that the Canada pension plan review tribunals hear thousands of cases every year, thousands. These cases often are very complex. The legislation is also complex. They are sometimes very difficult to adjudicate.

With human beings involved, mistakes are sometimes made by these tribunals. When this occurs the minister must with great reluctance appeal the decision to the pension appeal board. This is only done where there are the clearest indications that a mistake has been made. Nonetheless, the department records indicate that 45 review tribunal decisions that were appealed by the minister to the pension appeal board were in fact overturned by that body. That 45 represents 80 per cent of the decisions that were made and rendered in 1994. Had the minister followed what appears to be the preference of the opposition and paid benefits before he was absolutely certain they should be paid, these 45 people would have been in the unfortunate position of having to repay money to the government. Imagine the shock these 45 people would have received if they had opened their mail and discovered they had to pay back thousands of dollars immediately. Naturally, they would be in the position where they would have no assets, no funds, simply because they live from cheque to cheque.

Therefore, closer examination of this motion, which the opposition claims will give better service to clients, will in fact reveal that many of those clients are put in a position where they have large overpayments that must be repaid, because the government is paying benefits before it is certain about entitlement. We must not allow that to happen.

For all these reasons, I oppose Motion No. 12 and urge all hon. members to do the same.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if someone is inconsistent in this House, it is certainly not anyone on this side. I do not see where the consistency is in saying—especially with respect to the Canada Pension Plan which, we will recall, provides benefits to people with disabilities of all kinds—that individuals who are denied benefits will have to appeal. It is stated in the bill that the minister may stay payment of any benefit until the later of the following dates.

How can those people who are often disadvantaged because they have problems getting around and defending their case, because they have to hire someone to help them—people who will now be expected to appeal if they are convinced they qualify, knowing that, if they are wrong, the law requires that they repay—how can they, on top of everything, be deprived of benefits while they have to defend themselves? It makes no sense.

This is beyond me. If there is someone who does not understand, it is not one of us. Examine actual cases and then try and look us straight in the face and tell us that benefits should be stayed, even though the legislation clearly provides for benefits to be repaid. The pensioners who will appeal are those who are sure they have a good case. But if they do not receive benefits during that time, chances are that people will not appeal because they are unable to do so. It does not make any sense to me. It makes no sense and this so–called Liberal government should examine this point closely before adopting this clause.

• (1730)

The clause reads as follows: "Where a decision is made by a Review Tribunal in respect to a benefit"—so there was a benefit to start with—"the Minister may stay payment of the benefit until the later of—"

This means that those to whom benefits are denied or cut will probably have to go on welfare and rely on the welfare plan in their province. In some places, single individuals get something like $250. When a handicapped person who has to pay a helper loses his or her benefits and is told to wait until the very end, at which time he or she will get benefits, this is absolutely inconsistent and illogical; it makes no sense but, more importantly, it shows a total lack of compassion.

I urge Liberal members to look at this legislation closely and not from a partisan point of view. We, on this side, certainly did not debate the issue on a partisan basis. We work for those who are the least able to take care of themselves. This is how we have to consider this issue. We took a close look at the amendment proposed by the Reform Party and we agree with part of it. However, we do not agree with the part which provides that the minister must wait, even if he is convinced that an amount should be remitted because an administrative error was made. We feel that those who suffer the prejudice should not have to wait.

In any case, the amendment proposed by the Reform Party did not remove the minister's discretionary power, since the motion only refers to a recommendation. That could only adversely affect the people concerned, since the minister still had discretionary power. I am answering the hon. member, because we always enjoy debating the substance of these issues, but that proposal does not make sense. The fact is that, if we look at all these provisions and amendments, which are supposed to be technical, we realize that this bill will significantly change the relationship between the elderly, the handicapped and families, on the one hand, and the state, on the other hand. This is what this legislation is about.

It seems to me that we are all trying to protect the interests of our fellow citizens. At the same time, we realize that the system must include some protection. However, that protection must not be provided at the expense of the public. We must not set the whole system against the public. To deprive people of the means to defend themselves when they risk losing their meagre benefits, is certainly not consistent with social fairness, accountability or good government. No. The government is trying to save money on the backs of Canadians, by not explicitly providing them with the right to appeal, a right which is theirs.

One must have worked with people who had to fight the system, whether as regards occupational safety and health issues, or eligibility to disability benefits, to measure the enormous challenge which these people face, given how hard it is for them to provide the required evidence. Consequently, there is no reason to come up with such a provision, in addition to all the other changes proposed in this bill to favour the system, at the expense of the public. To be sure, this is not a legislation which the Liberals can be proud of.

[*English*]

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, we are having a good debate today on some administrative changes to Bill C–54. I certainly agree with my hon. friend from the Bloc that we are trying to serve the citizens of the country as well, as effectively, as compassionately and as truly as we can.

• (1735)

Our country deserves the best we can give it. I remind my hon. friend that if we are to run things effectively it should not be done on the backs of citizens. Savings should not be looked on as being something we do on the backs of people. Spending is really what we put on the backs of people. Spending is a burden which we extract from the hard work of our citizens and often place on our future citizens as well. We have to look at all of the administrative measures and all of the spending proposals in a way which is fair to the people who need the money, fair to the people who have to earn the money and fair to the people who will inherit the debt we are building in order to spend some of the money.

We cannot look at this issue as if only desperately poor and needy people are being hurt. Those are the people we want to help. If we are to continue to help them then we must be responsible, effective and efficient in the way we administer every government department.

I was saddened to hear the Liberal member deriding the Reform amendment to this very complex bill. He suggested it was put forward to hurt seniors. It does no credit to debate in the House when attempts to constructively improve proposals of government are simply dismissed as meaning to hurting people.

It is beneath members of the House to suggest that any member would be motivated by such repugnant motives.

The Liberal member also suggested the amendments were simplistic. Is any attempt to improve government legislation to be dismissed as being simplistic? I say to the people of Canada that to look at complex bills, to study them, to assess the impact and the effectiveness of them takes a great deal of time and effort. It is done in an attempt to give the best to our country, to ensure everything we do has the highest standards of accountability in delivering the services which Canadians need in a way we can afford and which we can count on over the long term.

I appeal to members to respect and to objectively and seriously judge the things put forward in the House, not to deride, misrepresent and distort them in a partisan way. The country will not benefit from that kind of approach. I am saddened by that kind of approach and I appeal to members not to take it.

Over 80 per cent of Canadians say they want our social programs reformed. They know the programs are often abused. They often give money to people who do not need it. There are many examples of programs sending money to millionaires. Any small attempts we make to these complex bills to make the departments and bureaucrats accountable are somehow dismissed.

Do we really want to say as parliamentarians to a minister or to a department: "Go out and overspend. Go out and make allocations of money not warranted, to which people are not entitled, in any amount you want. We do not care. We do not want to know about it. We will not stop you. We do not want limits on that"?

• (1740)

Surely we owe the people of Canada better responsibility, accountability and management than that. I ask the House to vote down measures which remove accountability and support measures which add accountability.

Our ministers and our departments are not looking for ways to defraud the Canadian people of money to which they are rightfully entitled under these programs—far from it. There are tens of millions of dollars going to people who do not need it, who do not deserve it, who are not entitled to it, people receiving money from programs not meant for that.

Surely we have an obligation and a responsibility in the House to put a stop to that and to make sure the people who do need the money are getting it and the people who do not need the money and who are not entitled to it are not getting dollars that should be going to the neediest people in our society.

I speak against Motion No. 12. It removes accountability in an important way. I certainly urge the House to add more accountability to the way these programs are administered rather than detract from it.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The division is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The Deputy Speaker: The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(*a*), the division on the question now before the House stands deferred until 6.30 p.m. today.

* * *

[*English*]

AGREEMENT ON INTERNAL TRADE IMPLEMENTATION ACT

Hon. Raymond Chan (for Minister of Industry, Lib.) moved that Bill C–88, an act to implement the agreement on internal trade, be read the second time and referred to a committee.

He said: Mr. Speaker, on behalf of the Minister of Industry, I thank you for this opportunity to speak on the occasion of second reading of Bill C–88, an act to implement the agreement on internal trade.

The bill is another step in the process to create a new internal trade regime that has been under way in Canada for some time. Our objective is to reduce barriers to interprovincial trade and to remove restrictions on the movement of people and capital within the domestic marketplace.

Passage of Bill C–88 will be a necessary step for Parliament to take in order to implement the agreement on internal trade signed last year by all the provinces and territories along with the federal government.

At the invitation of the Prime Minister, first ministers met in Ottawa last July to formally accept and sign the agreement the committee of ministers of internal trade had finalized at the end of June. With this accord, we were committed to a target of July 1, 1995 to have the appropriate legislative and regulatory changes in place so the agreement could be legally implemented.

In this sense, in putting this legislation before the House we are meeting an obligation to provincial and territorial governments we incurred when we signed the agreement in June 1994. The agreement on internal trade was an important step in the quest to create an integrated domestic market in Canada.

• (1745)

In the 127 years or so since Confederation, we have seen a hodge–podge of protectionist measures and trade conventions develop, which have inhibited interprovincial trade and restricted the flow of goods and capital between provinces in Canada. These measures range from outright restrictions to bidding on government contracts to a patchwork of regulations and incompatible standards.

The government has felt strong and repeated pressure from the private sector to deal with the problems associated with internal barriers to trade and conflicting regulations on cross–border flows of people and capital. We have received representations from the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Business Council on National Issues, the Canadian Federation of Independent Business, the Canadian Bankers Association, the Canadian Construction Association, and so on. The list is long and the problems are deeply felt and broadly experienced.

Such barriers put Canadian businesses at a comparative disadvantage by restricting the size of the available marketplace and by making the markets open to Canadian businesses even smaller than they would be on an open national basis. In a time of increasing global competition and more open markets in other parts of the world, this can have the negative result of putting Canadian businesses at a disadvantage to international competitors, even in our own markets. In addition, there is an economic cost related to marketplace inefficiency. The Canadian Manufacturers' Association has estimated that barriers to trade cost Canadians about $7 billion annually in direct job and income loss.

In years past, when external trade barriers protected economies like ours from international competition the economic costs of internal trade barriers were tolerated. When Canadian industry was sheltered from international competition by tariff barriers of 10 per cent or even 20 per cent, the economic costs were not so obvious. But a marketplace sheltered from international competition is no longer the reality. International barriers and tariffs are down. The market is global and the competition is fierce.

We will not and cannot be successful in an open global market if we operate in a closed market here at home. So we need to adapt to the international reality in trade. Bill C–88 and the agreement it implements is an important aspect of this process and is part of the more open fundamental process of economic renewal that the government is following towards its strategic objectives for economic growth and job creation.

Last fall the Minister of Industry introduced in the House our government's plan to build a more innovative economy. We outlined our intentions for improving the economic climate of Canada in four ways: to build a positive entrepreneurial climate and to help small business grow; to expand markets for jobs and growth through trade; to create an efficient and modern infrastructure; and also to make technology work for Canada. These are the areas where the government can have the greatest impact on job creation.

While Bill C–88 will support all of these objectives, it has special relevance for the objective to expand markets. To grow and prosper, business needs an efficient and open marketplace, an environment that encourages innovation and expansion, free of unnecessary barriers.

With the agreement on internal trade and now with this bill we have the elements to establish a new internal trade regime in Canada, one that will allow us to make the most of our interprovincial domestic market by encouraging innovation and expansion and by removing unnecessary barriers to trade.

The Canadian economy is in a period of transition. There are fundamental changes taking place because of the globalization of trade and the rapid pace of technological change. Competitive advantage in today's world depends less on location and natural resources and more on innovation and ability to respond to changing market conditions and to achieve economies of scale.

• (1750)

As we continue the transition from a resource based economy to one where innovation, knowledge, and flexibility are the underpinnings of competitive advantage, we need to ensure that the domestic trading environment will accommodate and expedite the necessary changes.

Bill C–88 will provide a supportive environment for the economic transition process we are now experiencing. The legislation that is before the House now is the result of a long process of negotiations and consultation, which has involved many Canadians with many different perspectives, ministers of the federal government, ministers of all the provincial and territorial governments, officials of all these governments and representatives of the private sector. Also, it is interesting to note that political parties of all stripes have co–operated in negotiations leading to the agreement. There were different

perspectives, but a shared belief that a more open trading environment will be good for Canada.

In fact a striking feature of the process has been the high degree of co–operation and goodwill that has been demonstrated on all sides. Those Canadians who have been involved in the process understand the compelling need to open our internal markets and ensure that the Canadian marketplace works to the advantage of all Canadians.

Over the last two years the negotiations and background work were under the guiding hand of Mr. Arthur Mauro, a well known Canadian businessman. Mr. Mauro acted as chairman of the committee of chief negotiators and worked tirelessly to keep the process moving toward its objectives and produced the agreement that the ministers signed last year.

The work leading up to this bill has been exhaustive. It has been thorough and it will be ongoing. It is our duty to keep the process moving. The process began in June 1988, when federal and provincial agriculture ministers compiled a list of barriers to internal trade in agricultural food products. A federal–provincial committee of ministers of internal trade with a commitment to open market access within Canada was formed. The focus of this group was comparatively narrow. Topics of discussion included government procurement, wine, spirits, and beer, transportation, professional mobility, and standards.

The process had begun. Governments were now dealing with the problems of internal trade barriers in an organized way. Federal–provincial discussions continued and the focus widened. Ministers also began to consider the need for a dispute resolution mechanism as part of more comprehensive trading agreements between provinces and territories.

In December 1989 a memorandum of understanding on internal trade in agricultural products was signed by seven of the provinces. The process was beginning to move. Federal–provincial negotiators continued to meet. Agreement was reached and memoranda of understanding were signed on a number of individual issues, such as transportation and government procurement.

By December 1992 the committee of ministers of internal trade recommended that the process be accelerated and that all parties commit to the goal of reaching a broad and comprehensive internal trade agreement by June 30, 1994.

By March 1993 the negotiators agreed to three specific principles as basic to an agreement. They were that governments treat people, goods, services, and capital equally, irrespective of where they originate in Canada; that government reconcile standards and regulations to provide for the free movement of people, goods, services, and capital within Canada; and that governments ensure that their administrative policies operate to provide for the free movement of people, goods, services, and capital within Canada.

• (1755)

In August 1993 Mr. Mauro took charge of the negotiations. In December 1993 our government reaffirmed its commitment to the process, and in January 1994 chief negotiators were given specific instructions to prepare a draft agreement for the consideration of the committee of ministers of internal trade. Ministers were looking for an agreement that would improve three main elements: trade rules to apply to specific sectors or issue areas; an elaboration on how the rules would apply in these specific areas; and also a dispute resolution mechanism that would encourage parties to negotiate settlements but not to involve the courts.

Now the process was in high gear. An intensive series of meetings was held during the period from January to June last year. These meetings culminated in ministers agreeing to the text of an internal trade agreement at the end of June. Following that, the Prime Minister and all other first ministers signified their acceptance of the agreement with a formal signing on July 18. The final legal text was put in place and accepted by all parties by last October.

All governments agreed to make necessary legislative and regulatory changes to bring the agreement into effect by July 1, 1995. Bill C–88 fulfils the commitment of the federal government in this regard. Last year's agreement on internal trade was a major step in a long process. It has demonstrated that all governments can work together to achieve a common objective that will benefit all Canadians.

What are we putting in place? The agreement on internal trade gives a set of general rules that prohibits any new barriers to trade and eliminates old ones in ten specific sectors or areas and establishes a formal mechanism for the resolution of disputes that may arise.

The agreement provides for the following objectives. It will open the $50 billion annual government purchasing market to competitive bidding throughout Canada. It will reduce restriction on investment, including a code of conduct to forbid incentives that lure firms to relocate from one province to another. It will improve the ability of Canadians to work anywhere they wish. It commits government to work on harmonization of environmental protection, transportation standards, and consumer protection. It will set up an impartial publicly accessible process for resolving trade disputes between governments and between individuals and governments.

The dispute settlement mechanism is based on the principle that it is preferable to solve problems informally and at an early stage. It reflects the desire of governments to cooperate rather than to confront or to litigate.

Therefore, it sets out a methodical, step by step process of information exchange followed by consultations. Questions not settled in that way may be brought to an impartial panel that would make recommendations for solving the issue. Only as a last resort, when a party has failed to change a measure found to have violated the agreement, might retaliation be acceptable. Even then, action would be limited both in effect and scope to areas especially covered by the agreement.

Also important is the fact that the agreement has the potential to grow and evolve. It deals directly with a large number of current issues and it provides the framework for negotiations to continue on others. Also, the agreement and this bill are parts of a broad set of activities now under way to create a more open trading environment throughout Canada.

The provinces and territories have obligations to implement the terms of the agreement by July 1, 1995. Work is under way on many fronts to make necessary legislative and regulatory changes at the provincial and territorial levels. At the federal level we have both an obligation to make the necessary changes, as Bill C–88 does, as well as a duty to show leadership in order to advance the process. It is fair to say this bill does not solve all the interprovincial trade problems that have built up over the last 127 years. However, it has moved us a considerable way along the track.

• (1800)

We see the process as one of forward movement. Some issues are dealt with. Systems and procedures are in place for dealing with others and new ones may yet come forward for our attention. For example, in the energy sector a separate set of negotiations is under way toward a similar deadline of July 1.

A process is in place to deal with the outstanding issues in the agricultural sector. Issues related to interprovincial trade in alcoholic beverages are not resolved either, but a consultative mechanism is set up and deadlines for resolutions are in place.

In summary, for the first time in our history, we will have a rules based system, a mechanism for settling disputes and a work plan for the future. In the future other issues may come up, for example, interprovincial regulations relating to financial services or standards for environmental protection. There is the further possibility of using the framework to consider streamlining and harmonizing "non–standards" regulations.

Whatever new issues come forward, we will want to deal with them in the same spirit of co–operation, shared objectives and mutual interests that has now been established within the agreement on internal free trade that this bill will implement. With this legislation we are ensuring the framework is in place and we are confirming our belief that the fundamental principles of free trade will work.

When first ministers signed the agreement last summer they committed to having the necessary legislative and regulatory changes in place by July 1, 1995. Passage of this bill by the House will ensure we meet our obligations to our provincial and territorial colleagues as discussed at the recent meeting of federal, provincial and territorial ministers in Calgary. It will also demonstrate our continued leadership in the move toward a more open domestic trading environment and it will reinforce our other activities to create a more innovative economy.

I want to emphasize that passing this bill is not the end of the process. It is part of a continuing one. This legislation builds the foundation and establishes the framework within which we will continue to build an effective domestic trading environment over time. Look at how the GATT and the European Union have evolved over time. The important thing is to establish the base and create the mechanism to allow for flexibility to meet changing economic conditions as they occur.

Trade agreements deepen and broaden with use and experience and this one will too. Bill C–88 will provide the foundation for moving toward a domestic trading environment that will allow for the free flow of goods, services, people and capital within Canada. The Prime Minister and other ministers, including first ministers, have been actively involved in broadening the marketplace for Canadian goods and services in export markets. The Team Canada approach has been highly successful in doing that.

Now we must bring the same spirit to improving the domestic market for our businesses and our workers. Bill C–88 is an important step in that direction and that is why we support it.

• (1805)

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, this bill is aimed at implementing the provisions of the Agreement on Internal Trade signed with the provinces last summer. To this end, the federal government must pass legislation to comply with the agreement before its coming into force, on July 1, 1995, as the minister said. Briefly put, this is the purpose of Bill C–88.

First, I would like to show that Bill C–88 assumes powers which were never mentioned during the negotiations with the provinces or when the agreement was signed. This indicates a strong desire on the part of the federal government to centralize.

In the second part of my speech, I would like to highlight some of the aspects of international trade which favour the political autonomy of the regions and the creation of economic unions rather than the establishment of great federations with a rigid and centralizing constitution such as the Canadian federation.

Last summer's agreement deals with 11 specific areas, namely government contracts, investments, labour mobility, consumer protection standards and initiatives, farm products and foodstuffs, alcoholic beverages, natural resources processing, communications and transportation, energy and the protection of the environment. However, the sections of the agreement Bill C–88 deals with are basically those regarding dispute resolution, as if all the federal government could do was put controls in place.

Articles 1601 to 1604 deal with the establishment of a committee on internal trade and its secretariat. The role of the committee will be to supervise the implementation of the agreement and to assist in the resolution of disputes. Article 1705 deals with the establishment of a panel at the request of the disputing parties. The panel is made up of five members who will have to decide on the validity of the dispute and on retaliatory action that the complaining party will eventually be authorized to take.

Articles 1710(4), (5) and (6) stipulate that, if the matter has not be resolved within one year of issuance of the panel report, the complaining party may request a meeting of the committee. The committee shall convene within 30 days to discuss with the complaining party the option of taking retaliatory action in respect of the party complained against. So, the complaining party may, until such time as a mutually satisfying resolution is achieved, impose to the party complained against retaliatory action of equivalent effect to the damage caused to the complaining party.

If I am reminding the House of these few rather technical aspects of the Agreement on Internal Trade, it is essentially in order to highlight the context within which the interprovincial agreement was reached. We must understand that the panel decisions are not binding, which implies that the committee governing the interprovincial trade agreement has no power.

If the party complained against does not comply with the panel recommendations, article 1710 applies. As we saw, article 1710 deals with retaliation action that the complaining party may take in respect of the party that did not comply with the agreement.

In fact, the main purpose of this bill is to implement the agreement on internal trade. The Bloc Quebecois has always been in favour of freer trade, which is the context in which states do business today. So, we support the principle of the agreement, but if the federal government is the aggrieved party under a trade agreement referred to in the agreement, it can impose retaliatory measures. However, that is not what is said in Bill C–88.

In fact, clause 9 goes well beyond the spirit of the agreement reached by the provinces last summer. This is why we are against the bill as it stands now. Clause 9 reads as follows:

> For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order—

And then it goes on. It says that the Governor in Council may act, by order, which is the method usually used by an autocratic government. This bill clearly shows that the Liberal government wants to govern by order in council.

• (1810)

Are we again facing Liberal totalitarianism? In fact, clause 9 means that, if a party is at fault pursuant to article 1710 of the agreement, then the federal government, whether or not it is party to the dispute, assumes the right to impose retaliatory measures against all of the provinces without distinction.

Bill C–88 clearly indicates that the federal government intends to interfere in interprovincial trade and be both judge and judged, to provide through this agreement the power to act by order in council, a power it alone can exercise, and to extend the application of any federal law to the provinces, as mentioned in clause 9(*c*).

Governing by order in council, setting oneself up as the arbiter of interprovincial trade, are measures that go way beyond the spirit of the agreement signed with the provinces last summer. Nowhere in the 13 paragraphs of article 1710 of the agreement is there mentioned any right of the federal government to intervene in a trade dispute when it is not itself one of the parties to the dispute, contrary to the retaliatory measures described in clause 9 of Bill C–88, as formulated and tabled before us today.

The range of retaliatory measures the federal government has given itself in this clause is too broad. Its power of retaliation can affect the entire population of a province and is excessive. The problem stems, of course, from the fact that Ottawa has legislative power over all Canadians and can impose legislation on all the provinces.

Bill C–88 is another example. In our opinion, the retaliatory measures contained in clause 9 must be toned down considerably and the focus limited strictly to matters of trade. The federal government would thus not be able to retaliate in the social sphere, by attacking the Canada Social Transfer, for example.

I would have one last word concerning the intentions of the Liberal government reflected in this bill. Clause 14 of the bill provides, in the best Liberal tradition, that appointments to fill any position that may be necessary or advisable for carrying out the purposes of the Agreement be by order in council. To prevent any form of patronage on the part of the Prime Minister, the Bloc Quebecois requests that appointments be systematically ap-

proved by the House of Commons, as they should be in a democratic system.

There is no doubt in our mind that this bill is highly centralist. It is a sign of a retrograde vision of trade relations between the various regions of the same continent. We are living in an era of trade globalization, of the dissolving of tariff and non tariff barriers, of open markets and not of the heavy, unilateral regulation by order in council of a continental market by a single state like Canada.

More and more, a new competitiveness can be found at the local, regional and provincial levels, which goes against the federal centralizing model. The new regional international model of economic development is an example of the globalization of economies, in which regional economic trade areas are swallowed by the global market.

Fernand Martin, from the department of economic sciences of the Université de Montréal, is unequivocal regarding this regional international reality. He says that local businesses are realizing that they are competing not only with domestic businesses but with all other businesses, and that they no longer benefit from the buffer of national borders.

This new reality on the world market underlies a second economic phenomenon: the role of local economies in the competitiveness of businesses. Regional space takes on a strategic importance. In this context, the intervention of a national state structure is no longer needed. By wanting to give unprecedented powers to the regions, the Government of Quebec fully grasped the new parameters of international trade, something that the government in Ottawa failed to do. NAFTA will decrease the federal government's power to intervene in economic matters even more.

• (1815)

Even now in the area of international trade, agreements such as the GATT prevent Canada to a large extent from imposing tariffs and subsidizing exporters. These international agreements promote globalization of the economy and thus reduce, along with regional economic development, the federal government's control over the national and interprovincial economy.

Globalization of trade was first and foremost the product of the emergence of the multinationals. They initially turned the states toward new economic spaces, such as NAFTA. Today their ability to restructure an economic space is well established. Accordingly, they confer international stature on the cities and regions they locate in. These cities and regions in turn form networks giving rise to decisions and economic policy previously the domain of central states.

The federal government's regulatory authority, in these circumstances, becomes less and less important, and it is clear that clause 9 of Bill C–88 runs contrary to the current course of international trade. This point is all the more relevant, and, once again I quote Fernand Martin: "—since economic development is based on competitive development, which counts on the quality of labour and on the infrastructures and economics of large population centres and urbanization. These levers come under provincial jurisdiction, because health, education and land use planning do".

Thus, in terms of economic development and international competitiveness, membership in a centralized economic union is today, at the dawn of the 21st century, of little importance. However, the same cannot be said when it comes to belonging to a region. Since Trudeau, the traditional federalist vision of the federal Liberals has never gone beyond the level of a strictly nationalist analysis. Like those from the Trudeau school of thought, this liberal government is obsessed by the fact that it is powerless to stop the national economy from being regionalized under the influence of multinationals and the newly created continental trade areas.

It should not be forgotten that as interprovincial trade is increasingly following a north–south axis, Bill C–88, and more specifically clause 9, are nothing more than the reaction of this government without an economic agenda to this phenomenon and, by and large, to the present changes.

[*English*]

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is an honour to rise in the House today and speak to second reading of Bill C–88, an act to implement the agreement on internal trade.

However, Bill C–88 is like Bill C–85 on pension reform, it has more fluff than substance. Unfortunately it is another failure to deal with a serious problem. It appears to be another broken promise made in the famous red ink book. The Reform Party will be opposing the bill as it is currently written because it would implement an agreement that from a federalist perspective may be a step backward in our already deplorable situation.

I would like to point out for the benefit of all members the problems this bill brings, some historical perspective and as always, the Reform alternative, what I believe can be an inexpensive, agreeable and efficient solution to our current problems.

We are all aware that Canada has a massive problem with the free flow of goods, services and capital within our borders. We are all aware of the hundreds of barriers that exist to trade between the provinces, the billions of dollars this costs the economy annually, the thousands of jobs that are lost to Canadians and the larger than necessary government deficits that continue to grow.

The Canadian Chamber of Commerce estimates that interprovincial trade barriers cost every Canadian family at least $1,000 a year. Others have estimated that the cost per family may be as high as $3,500 per year.

The chamber continues on to say: "These estimates do not capture the costs associated with new activity that is deterred as a result of the existence of barriers. For example, existence of internal barriers and the knowledge that new ones can be introduced at any time can deter Canadian businesses and entrepreneurs from undertaking new initiatives based on the expectation of access to the whole Canadian market. Similarly, the existence of internal barriers may discourage international investors who seek to locate their plants in fully integrated markets from bringing their productive investments to Canada".

• (1820)

There is no partisan issue in these considerations. We have all agreed, as did all the premiers last year, that these barriers to growth, productivity and employment must be reduced and eliminated. Even the current premier of Quebec has indicated his willingness to find agreement in these matters. Free trade within our borders is something every member of the House can agree to, except perhaps the NDP.

Where some of us differ is on the issue of the best mechanism to get there. The agreement signed last year between the provinces and Ottawa is a faulty mechanism that may do more damage than the good it intends.

A *Globe and Mail* editorial stated: "To say that the signing of the agreement on interprovincial trade barriers was a triumph of federalism would be an overstatement. To say that it will create a free market would be an illusion. To say that it will bring stability and unity would be optimism". The editorial continues to talk about the status quo of barriers which will remain in place saying: "These are the wages of parochialism and the country continues to pay them".

What became perfectly clear at the outcome of the meeting was not that the agreement to trade freely had been brokered but rather that an excellent photo opportunity had been set up for one candidate in the Quebec provincial election. All news commentators made that point. All of them remarked on the shallowness of the deal and in the final analysis they were right. The deal was shallow and the photo opportunity was a bust. The Quebec candidate went on to lose the election.

Unfortunately Canadians have to suffer with the results. There is still no improvement in trade between the provinces. The unity question continues to burn. We believe that in the solution to our domestic trade problem we will also find the solution to our national unity problem. The trade ties that could be binding us together as Canadians are the trade walls which are currently keeping us apart. Reformers and the BQ agree on this point. The Liberals say they agree but their words have rung hollow so far.

A Liberal Party pollster summed it up well when he said: "The people on the street know this is no victory for federalism. They know the deal is full of loopholes. They know that Canada has successfully negotiated a sweeping free trade deal with the United States but is unable to do so within its own borders".

It is important to reflect on the statements that have come from the government recently with respect to free trade. For example, the finance minister estimated that the economy would grow by 0.4 per cent as a result of the implementation of the GATT agreement due to freer trade with other countries. On the other hand, estimates by the Fraser Institute on the effect of removing interprovincial trade barriers ranged from 2 per cent up to a possible 6 per cent growth in GDP.

In other words, with the Uruguay round of the GATT we spent seven years and millions of tax dollars to negotiate with 120 foreign countries to open up trade and yet we have an opportunity to realize five to fifteen times the economic benefit by legislating, negotiating and arbitrating among only ten provinces. Unfortunately, the government has given only a half–hearted effort so far.

The Minister for International Trade in speaking to the GATT implementation bill stated: "The agreement includes an enormous package of national commitments to lower tariffs and non–tariff barriers to merchandise trade". It sounds wonderful but where are the complementary commitments we need to increase interprovincial trade?

The Prime Minister stated during the first ministers' conference that thousands of new jobs would be created and it would benefit all Canadians regardless of region. Unfortunately the talk we have heard bears little resemblance to the inaction we have seen in the flawed agreement. Let me explain where some of the flaws are.

The agreement sets out to eliminate specific barriers but may in fact create new ones and higher hurdles for business to cross. An example is the provision contained in article 709 which states that a province may adopt or maintain a measure that is inconsistent with the articles on labour mobility if the purpose of that measure is to achieve a legitimate objective.

• (1825)

The list of legitimate objectives is extensive. Any province wishing to maintain or erect a barrier need look no further than this list to find a suitable excuse. Included are: public security, safety and order; protection of human, animal or plant life and health; protection of the environment; consumer protection; affirmative action and so on.

In other words, labour mobility is restricted by the self–serving interests of any province through the articles contained in this agreement. Many would recognize this as the current status quo, but early on I said this may even be a step backwards. Such

a provision could be used by any self–interested group in any province to erect new barriers to trade.

The dispute resolution mechanism included in this agreement may deal with these issues but it is not clear that the agreement will bind a province that wishes to go its own way.

Another major impediment to change is article 1507, part III, which states that nothing in this agreement shall be construed to effect the existing rights and obligations of the provinces under other environmental agreements, including conservation agreements. It does not take very much effort to realize that if one province wanted to keep in place an existing trade barrier, all it would have to do would be to claim an environmental exemption. Even worse, it is obvious that new trade barriers could be erected under this article. Again the agreement appears to be a step backwards.

One fact that cannot escape scrutiny is that many new regulations, panels and other administrative functions have been introduced in this bill both at the provincial and the federal level. It is plain that a whole new bureaucracy will spring up: new jobs for bureaucrats, new expense for the taxpayers but not necessarily any benefits to consumers.

However, one provision stands out as an improvement over the past practice and that is the proposed reduction in restrictions on interprovincial trucking. The consensus in this important area should not be dismissed lightly. Barriers to trucking have raised transportation costs, resulted in inefficiencies and lost productivity, and ultimately cost consumers millions. I hope we can capitalize on the consensus reached on this aspect of the agreement.

Some commentators have made the observation that the agreement is only the first step in a process which will see more agreements signed and barriers reduced. While this may be true, Reformers believe that this first step agreement is not necessarily a step forward. If we are going to improve the situation, it is vital that all steps must move us forward and reduce barriers, not leaving the possibility that new barriers can be erected in their place. We have lived with the status quo for too long already and Canadians deserve better.

It is important to look at the historical record and see where we have been as a nation in dealing with this issue. When Canada was created out of four British colonies in 1867 the founding fathers of Confederation had one purpose in mind. They believed that if they united, they could resist being pulled into the American sphere of influence and retain their distinct cultural heritage.

They saw two strategies as essential to resisting American pressures. The first was a unified military which could better defend the borders of Canada. Thankfully we have not had to face a major threat on our own soil since that time. But our armed forces have served with distinction in most major conflicts and all peacekeeping missions since that time.

The second strategy to maintain a distinct identity was to implement free trade between the provinces. It was believed that the free flow of goods and services would strengthen economic, political and cultural ties east to west instead of north to south.

It is quite obvious in which strategy we failed to accomplish our objectives. The fact is that trade between Canada and the U.S. today in many goods is freer and easier than the trade between the provinces.

Where we do fall down on this issue, history has shown it came because of ineffectual leadership in this area at the federal level.

I see my time is running out. I have quite a bit more. Will I be allowed to finish my presentation later?

The Speaker: You will at a later time, not today.

* * *

[*Translation*]

MEMBERS OF PARLIAMENT RETIREMENT ALLOWANCES ACT

The House resumed, from May 12, consideration of the motion that Bill C–85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, be read the second time and referred to a committee; and of the motion that the question be now put.

The Speaker: It being 6.30 p.m., pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred division on the motion of Mr. Boudria.

Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 214)

YEAS

Members

Alcock	Allmand
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bakopanos
Barnes	Bellemare
Bethel	Bevilacqua
Bodnar	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Calder	Campbell
Catterall	Chan
Chrétien (Saint–Maurice)	Cohen
Collins	Comuzzi
Crawford	Culbert
DeVillers	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finlay	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Godfrey

Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hubbard
Jackson
Karygiannis
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Martin (LaSalle—Émard)
McKinnon
McWhinney
Mitchell
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Robichaud
Rompkey
Serré
Sheridan
Skoke
Stewart (Northumberland)
Telegdi
Thalheimer
Ur
Vanclief
Whelan
Zed—117

Graham
Grose
Harb
Hopkins
Irwin
Jordan
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacLaren
Malhi
Marleau
Massé
McTeague
Milliken
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pillitteri
Reed
Rideout
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
St. Denis
Szabo
Terrana
Torsney
Valeri
Wappel
Young

NAYS

Members

Abbott
Althouse
Bellehumeur
Bridgman
Bélisle
Cummins
de Savoye
Duceppe
Epp
Frazer
Gauthier (Roberval)
Gouk
Guimond
Hanrahan
Harper (Simcoe Centre)
Hermanson
Hoeppner
Johnston
Lalonde
Langlois
Leblanc (Longueuil)
Loubier
Marchand
Mayfield
Mercier
Morrison
Plamondon
Ringma
Silye
Solomon
Taylor
Venne
Williams—65

Ablonczy
Asselin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Chrétien (Frontenac)
de Jong
Deshaies
Dumas
Fillion
Gagnon (Québec)
Gilmour
Guay
Hanger
Harper (Calgary West)
Hart
Hill (Prince George—Peace River)
Jennings
Kerpan
Landry
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Picard (Drummond)
Ramsay
Schmidt
Solberg
Stinson
Thompson
White (Fraser Valley West)

PAIRED MEMBERS

Anderson
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Blondin-Andrew
Bouchard
Canuel
Cauchon
Cowling
Dalphond-Guiral
Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric
Richardson
Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells

Bachand
Bernier (Gaspé)
Bertrand
Bonin
Brien
Caron
Copps
Crête
Debien
Gaffney
Godin
Hickey
Jacob
Laurin
Leroux (Richmond—Wolfe)
MacAulay
Maloney
McLellan (Edmonton Northwest)
Minna
Ménard
Paré
Pomerleau
Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

● (1855)

[*English*]

The Speaker: I declare the motion carried.

Accordingly, the next question is on the motion that the bill be read the second time. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 215*)

YEAS

Members

Alcock
Assadourian
Augustine
Bakopanos
Bellehumeur
Bethel
Bodnar
Brown (Oakville—Milton)
Bryden
Bélisle
Campbell

Allmand
Asselin
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bevilacqua
Boudria
Brushett
Bélair
Calder
Catterall

Chan
Chrétien (Saint-Maurice)
Collenette
Comuzzi
Culbert
Deshaies
Dromisky
Duhamel
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harper (Churchill)
Hubbard
Jackson
Karygiannis
Kirkby
Kraft Sloan
Landry
Lastewka
Lebel
Leblanc (Longueuil)
Lefebvre
Loney
MacLaren
Malhi
Marchand
Martin (LaSalle—Émard)
McKinnon
McWhinney
Milliken
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Reed
Rideout
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
St. Denis
Szabo
Terrana
Tobin
Ur
Vanclief
Wappel
Young
Chrétien (Frontenac)
Cohen
Collins
Crawford
de Savoye
DeVillers
Duceppe
Dumas
Easter
English
Fillion
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Godfrey
Graham
Grose
Guay
Harb
Hopkins
Irwin
Jordan
Keyes
Knutson
Lalonde
Langlois
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Lincoln
Loubier
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Marleau
Massé
McTeague
Mercier
Mitchell
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Proud
Regan
Robichaud
Rompkey
Serré
Sheridan
Skoke
Stewart (Northumberland)
Telegdi
Thalheimer
Torsney
Valeri
Venne
Whelan
Zed—144

NAYS

Members

Abbott
Althouse
Bridgman
Cummins
Epp
Gilmour
Hanger
Harper (Calgary West)
Hart
Hill (Prince George—Peace River)
Ablonczy
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
de Jong
Frazer
Gouk
Hanrahan
Harper (Simcoe Centre)
Hermanson
Hoeppner
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Morrison
Ringma
Silye
Solomon
Taylor
White (Fraser Valley West)
Johnston
Manning
Mayfield
Meredith
Ramsay
Schmidt
Solberg
Stinson
Thompson
Williams—40

PAIRED MEMBERS

Anderson
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Blondin-Andrew
Bouchard
Canuel
Cauchon
Cowling
Dalphond-Guiral
Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric
Richardson
Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells
Bachand
Bernier (Gaspé)
Bertrand
Bonin
Brien
Caron
Copps
Crête
Debien
Gaffney
Godin
Hickey
Jacob
Laurin
Leroux (Richmond—Wolfe)
MacAulay
Maloney
McLellan (Edmonton Northwest)
Minna
Ménard
Paré
Pomerleau
Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

• (1900)

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

CN COMMERCIALIZATION ACT

The House resumed consideration of the motion.

The Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the motion.

• (1905)

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House in the following manner: Liberal members will be recorded as voting yea.

[*Translation*]

Mr. Duceppe: The Bloc members will be voting no.

[*English*]

Mr. Silye: Mr. Speaker, I think you will find that Reform Party members will vote yea, if it is done right, except for those members who wish to vote otherwise.

Mr. Solomon: Mr. Speaker, members of the New Democratic Party present vote no on this motion.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 216)

YEAS

Members

Abbott
Alcock
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bethel
Bodnar
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélair
Campbell
Chan
Cohen
Collins
Crawford
Cummins
Dromisky
Dupuy
Eggleton
Epp
Finlay
Fontana
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gilmour
Goodale
Graham
Grose
Hanger
Harb
Harper (Churchill)
Hart
Hill (Prince George—Peace River)
Hopkins
Irwin
Jennings
Jordan
Kerpan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Marleau
Martin (LaSalle—Émard)
Mayfield
McKinnon
McWhinney
Milliken
Morrison
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Rideout
Robichaud
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Skoke
St. Denis
Stinson
Telegdi
Thalheimer
Tobin
Ur
Vanclief
Whelan
Williams
Zed—155

Ablonczy
Allmand
Augustine
Bakopanos
Bellemare
Bevilacqua
Boudria
Bridgman
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chrétien (Saint-Maurice)
Collenette
Comuzzi
Culbert
DeVillers
Duhamel
Easter
English
Fewchuk
Flis
Frazer
Gagliano
Gallaway
Godfrey
Gouk
Gray (Windsor West)
Guarnieri
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Hermanson
Hoeppner
Hubbard
Jackson
Johnston
Karygiannis
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacLaren
Malhi
Manning
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McTeague
Meredith
Mitchell
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pillitteri
Ramsay
Regan
Ringma
Rock
Schmidt
Serré
Sheridan
Simmons
Solberg
Stewart (Northumberland)
Szabo
Terrana
Thompson
Torsney
Valeri
Wappel
White (Fraser Valley West)
Young

NAYS

Members

Althouse
Bellehumeur
Chrétien (Frontenac)
de Savoye
Duceppe
Fillion
Gauthier (Roberval)
Guimond
Landry
Lebel
Lefebvre
Marchand
Picard (Drummond)
Solomon
Venne—29

Asselin
Bélisle
de Jong
Deshaies
Dumas
Gagnon (Québec)
Guay
Lalonde
Langlois
Leblanc (Longueuil)
Loubier
Mercier
Plamondon
Taylor

PAIRED MEMBERS

Anderson
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Blondin-Andrew
Bouchard
Canuel
Cauchon
Cowling
Dalphond-Guiral
Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric
Richardson
Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells

Bachand
Bernier (Gaspé)
Bertrand
Bonin
Brien
Caron
Copps
Crête
Debien
Gaffney
Godin
Hickey
Jacob
Laurin
Leroux (Richmond—Wolfe)
MacAulay
Maloney
McLellan (Edmonton Northwest)
Minna
Ménard
Paré
Pomerleau
Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

The Speaker: I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Transport.

VETERANS REVIEW AND APPEAL BOARD ACT

The House resumed consideration of the motion that Bill C–67, an act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other acts and to repeal the Veterans Appeal Board Act, be read the third time and passed.

The Speaker: Pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division at third reading stage of Bill C–67.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to seek it, I think you would find unanimous consent to apply to the vote now before the House the vote taken on the main motion concerning Bill C–85.

Since the usual discussions did not take place, if the whip for the New Democratic Party wishes to say otherwise, I am sure he will do so in a moment.

The Speaker: Does the hon. whip for the Bloc Quebecois agree?

Mr. Duceppe: Agreed.

Mr. Silye: Yes, Mr. Speaker.

[*English*]

Mr. Solomon: The Democrats in the House vote no on this issue.

[*Editor's Note: See list under Division No. 215*]

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

* * *

OLD AGE SECURITY ACT

The House resumed consideration of Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, as reported (with amendments) from the committee.

The Speaker: The House will now proceed to the taking of the deferred divisions on Bill C–54.

The first question is on Motion No. 1. A vote on Motion No. 1 will also apply to Motions Nos. 3, 8, 9, 10, 11, 14, 16 and 17.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the vote in the following way: that the vote on second reading of Bill C–89 be applied in reverse to the motion now before the House.

• (1910)

If you were to seek it you might find similar consent to apply this vote to report stage Motions Nos. 4, 5 and 6, as well as to the amendment to Motion No. 7.

Mr. Speaker, I think you would also find consent that it be applied to report stage Motion No. 12.

[*Translation*]

Mr. Duceppe: Agreed.

[*English*]

Mr. Silye: Agreed.

Mr. Solomon: Mr. Speaker, members of the New Democratic Party will vote no on all of those motions except report stage Motion No. 12 on which we vote yes.

(The House divided on Motion No. 1, which was negatived on the following division:)

(Division No. 217)

YEAS

Members

Asselin
Bélisle
de Savoye
Duceppe
Fillion
Gauthier (Roberval)
Guimond
Landry
Lebel
Lefebvre
Marchand
Picard (Drummond)
Venne—25

Bellehumeur
Chrétien (Frontenac)
Deshaies
Dumas
Gagnon (Québec)
Guay
Lalonde
Langlois
Leblanc (Longueuil)
Loubier
Mercier
Plamondon

NAYS

Members

Abbott
Alcock
Althouse
Augustine
Bakopanos
Bellemare
Bevilacqua
Boudria
Bridgman
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chrétien (Saint-Maurice)
Collenette
Comuzzi
Culbert
de Jong
Dromisky
Dupuy
Eggleton
Epp
Finlay
Fontana
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gilmour
Goodale
Graham
Grose
Hanger
Harb
Harper (Churchill)
Hart
Hill (Prince George—Peace River)
Hopkins
Irwin
Jennings

Ablonczy
Allmand
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bethel
Bodnar
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélair
Campbell
Chan
Cohen
Collins
Crawford
Cummins
DeVillers
Duhamel
Easter
English
Fewchuk
Flis
Frazer
Gagliano
Gallaway
Godfrey
Gouk
Gray (Windsor West)
Guarnieri
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Hermanson
Hoeppner
Hubbard
Jackson
Johnston

Jordan
Kerpan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Marleau
Martin (LaSalle—Émard)
Mayfield
McKinnon
McWhinney
Milliken
Morrison
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Rideout
Robichaud
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Skoke
Solomon
Stewart (Northumberland)
Szabo
Telegdi
Thalheimer
Tobin
Ur
Vanclief
Whelan
Williams
Zed—159

Karygiannis
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacLaren
Malhi
Manning
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McTeague
Meredith
Mitchell
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pillitteri
Ramsay
Regan
Ringma
Rock
Schmidt
Serré
Sheridan
Simmons
Solberg
St. Denis
Stinson
Taylor
Terrana
Thompson
Torsney
Valeri
Wappel
White (Fraser Valley West)
Young

PAIRED MEMBERS

Anderson
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Blondin-Andrew
Bouchard
Canuel
Cauchon
Cowling
Dalphond-Guiral
Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric
Richardson
Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells

Bachand
Bernier (Gaspé)
Bertrand
Bonin
Brien
Caron
Copps
Crête
Debien
Gaffney
Godin
Hickey
Jacob
Laurin
Leroux (Richmond—Wolfe)
MacAulay
Maloney
McLellan (Edmonton Northwest)
Minna
Ménard
Paré
Pomerleau
Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

The Speaker: I declare Motion No. 1 lost. Therefore Motions Nos. 3, 8, 9, 10, 11, 14, 16 and 17 are defeated.

(The House divided on Motion No. 2, which was agreed to on the following division:)

(*Division No. 218*)

YEAS

Members

Alcock
Althouse
Asselin
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bevilacqua
Boudria
Brushett
Bélair
Calder
Catterall
Chrétien (Frontenac)
Cohen
Collins
Crawford
de Jong
Deshaies
Dromisky
Duhamel
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harper (Churchill)
Hubbard
Jackson
Karygiannis
Kirkby
Kraft Sloan
Landry
Lastewka
Lebel
Leblanc (Longueuil)
Lefebvre
Loney
MacLaren
Malhi
Marchand
Martin (LaSalle—Émard)
McKinnon
McWhinney
Milliken
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Reed
Rideout
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
Solomon
Stewart (Northumberland)
Taylor
Terrana
Tobin
Ur
Vanclief
Wappel
Young

Allmand
Assadourian
Augustine
Bakopanos
Bellehumeur
Bethel
Bodnar
Brown (Oakville—Milton)
Bryden
Bélisle
Campbell
Chan
Chrétien (Saint-Maurice)
Collenette
Comuzzi
Culbert
de Savoye
DeVillers
Duceppe
Dumas
Easter
English
Fillion
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Godfrey
Graham
Grose
Guay
Harb
Hopkins
Irwin
Jordan
Keyes
Knutson
Lalonde
Langlois
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Lincoln
Loubier
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Marleau
Massé
McTeague
Mercier
Mitchell
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Proud
Regan
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Venne
Whelan
Zed—148

NAYS

Members

Abbott	Ablonczy
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Cummins
Epp	Frazer
Gilmour	Gouk
Hanger	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Hart	Hermanson
Hill (Prince George—Peace River)	Hoeppner
Jennings	Johnston
Kerpan	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	Meredith
Morrison	Ramsay
Ringma	Schmidt
Silye	Solberg
Stinson	Thompson
White (Fraser Valley West)	Williams—36

PAIRED MEMBERS

Anderson	Bachand
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Blondin–Andrew	Bonin
Bouchard	Brien
Canuel	Caron
Cauchon	Copps
Cowling	Crête
Dalphond–Guiral	Debien
Dubé	Gaffney
Gerrard	Godin
Harvard	Hickey
Ianno	Jacob
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Leroux (Richmond—Wolfe)
Leroux (Shefford)	MacAulay
Maheu	Maloney
Martin (LaSalle—Émard)	McLellan (Edmonton Northwest)
Mifflin	Minna
Murphy	Ménard
Nunez	Paré
Peric	Pomerleau
Richardson	Ringuette–Maltais
Robillard	Rocheleau
Sauvageau	Speller
St–Laurent	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Volpe
Wells	Wood

The Speaker: I declare Motion No. 2 carried.

(The House divided on Motion No. 4, which was negatived on the following division:)

[*Editor's Note: See list under Division No. 217*]

The Speaker: I declare Motion No. 4 lost. Therefore I declare Motions Nos. 13 and 15 lost.

(The House divided on Motion No. 5, which was negatived on the following division:)

[*Editor's Note: See list under Division No. 217*]

(The House divided on Motion No. 6, which was negatived on the following division:)

[*Editor's Note: See list under Division No. 217*]

(The House divided on the amendment to Motion No. 7, which was negatived on the following division:)

[*Editor's Note: See list under Division No. 217*]

(The House divided on Motion No. 7, which was negatived on the following division:)

(*Division No. 219*)

YEAS

Members

Abbott	Ablonczy
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Cummins
Epp	Frazer
Gilmour	Gouk
Hanger	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Hart	Hermanson
Hill (Prince George—Peace River)	Hoeppner
Jennings	Johnston
Kerpan	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	Meredith
Morrison	Ramsay
Ringma	Schmidt
Silye	Solberg
Stinson	Thompson
White (Fraser Valley West)	Williams—36

NAYS

Members

Alcock	Allmand
Althouse	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Bakopanos
Barnes	Bellehumeur
Bellemare	Bethel
Bevilacqua	Bodnar
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Bélisle
Calder	Campbell
Catterall	Chan
Chrétien (Frontenac)	Chrétien (Saint–Maurice)
Cohen	Collenette
Collins	Comuzzi
Crawford	Culbert
de Jong	de Savoye
Deshaies	DeVillers
Dromisky	Duceppe
Duhamel	Dumas
Dupuy	Easter
Eggleton	English
Fewchuk	Fillion
Finlay	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gagnon (Québec)	Gallaway
Gauthier (Roberval)	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Guay
Guimond	Harb
Harper (Churchill)	Hopkins
Hubbard	Irwin
Jackson	Jordan
Karygiannis	Keyes
Kirkby	Knutson
Kraft Sloan	Lalonde
Landry	Langlois
Lastewka	Lavigne (Verdun—Saint–Paul)
Lebel	LeBlanc (Cape/Cap–Breton Highlands—Canso)

Leblanc (Longueuil)
Lefebvre
Loney
MacLaren
Malhi
Marchand
Martin (LaSalle—Émard)
McKinnon
McWhinney
Milliken
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Reed
Rideout
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
Solomon
Stewart (Northumberland)
Taylor
Terrana
Tobin
Ur
Vanclief
Wappel
Young
Lee
Lincoln
Loubier
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Marleau
Massé
McTeague
Mercier
Mitchell
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Proud
Regan
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Venne
Whelan
Zed—148

PAIRED—MEMBERS

Anderson
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Blondin-Andrew
Bouchard
Canuel
Cauchon
Cowling
Dalphond-Guiral
Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric
Richardson
Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells
Bachand
Bernier (Gaspé)
Bertrand
Bonin
Brien
Caron
Copps
Crête
Debien
Gaffney
Godin
Hickey
Jacob
Laurin
Leroux (Richmond—Wolfe)
MacAulay
Maloney
McLellan (Edmonton Northwest)
Minna
Ménard
Paré
Pomerleau
Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

The Speaker: I declare Motions Nos. 5 and 6 lost. I also declare the amendment to Motion No. 7 lost and Motion No. 7 lost.

The next question is on Motion No. 12.

• (1915)

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to seek it, I think you would find unanimous consent to apply the vote that was taken on the second reading of Bill C-85 to the motion now before the House.

I think you would find further consent that it also be applied in reverse to main Motion No. 7.

The Speaker: Does the Bloc Quebecois whip agree?

Mr. Duceppe: Agreed.

[*English*]

Mr. Silye: Yes.

Mr. Solomon: Mr. Speaker, the New Democrats in the House today will vote yes to Motion No. 12.

(The House divided on Motion No. 12, which was negatived on the following division:)

(*Division No. 220*)

YEAS

Members

Althouse
Bellehumeur
Chrétien (Frontenac)
de Savoye
Duceppe
Fillion
Gauthier (Roberval)
Guimond
Landry
Lebel
Lefebvre
Marchand
Picard (Drummond)
Solomon
Venne—29
Asselin
Bélisle
de Jong
Deshaies
Dumas
Gagnon (Québec)
Guay
Lalonde
Langlois
Leblanc (Longueuil)
Loubier
Mercier
Plamondon
Taylor

NAYS

Members

Abbott
Alcock
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bethel
Bodnar
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélair
Campbell
Chan
Cohen
Collins
Crawford
Cummins
Dromisky
Dupuy
Eggleton
Epp
Finlay
Fontana
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gilmour
Goodale
Ablonczy
Allmand
Augustine
Bakopanos
Bellemare
Bevilacqua
Boudria
Bridgman
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chrétien (Saint-Maurice)
Collenette
Comuzzi
Culbert
DeVillers
Duhamel
Easter
English
Fewchuk
Flis
Frazer
Gagliano
Gallaway
Godfrey
Gouk

Graham
Grose
Hanger
Harb
Harper (Churchill)
Hart
Hill (Prince George—Peace River)
Hopkins
Irwin
Jennings
Jordan
Kerpan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Marleau
Martin (LaSalle—Émard)
Mayfield
McKinnon
McWhinney
Milliken
Morrison
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Rideout
Robichaud
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Skoke
St. Denis
Stinson
Telegdi
Thalheimer
Tobin
Ur
Vanclief
Whelan
Williams
Zed—155

Gray (Windsor West)
Guarnieri
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Hermanson
Hoeppner
Hubbard
Jackson
Johnston
Karygiannis
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacLaren
Malhi
Manning
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McTeague
Meredith
Mitchell
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pillitteri
Ramsay
Regan
Ringma
Rock
Schmidt
Serré
Sheridan
Simmons
Solberg
Stewart (Northumberland)
Szabo
Terrana
Thompson
Torsney
Valeri
Wappel
White (Fraser Valley West)
Young

PAIRED MEMBERS

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Bergeron
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Cauchon
Cowling
Dalphond-Guiral
Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric

Bachand
Bernier (Gaspé)
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Bonin
Brien
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Godin
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Leroux (Richmond—Wolfe)
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Ménard
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Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells

Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

The Speaker: I declare Motion No. 12 lost.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.) moved that the bill, as amended, be concurred in.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

Mr. Boudria: Mr. Speaker, if you were to seek it I think you would find unanimous consent that the vote taken on the first motion we voted on today, in other words that the question be now put, be applied to the motion now before the House.

[*Translation*]

Mr. Duceppe: Agreed.

[*English*]

Mr. Silye: Agreed.

Mr. Solomon: Mr. Speaker, we do not agree. The New Democrat members present in the House today vote yes on this motion.

Mr. Tobin: Mr. Speaker, I missed the first vote of the day. If the question now being put applies to the first vote, of course I shall cast my vote with the government.

Mr. Collenette: Mr. Speaker, the same applies for me.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 221*)

YEAS

Members

Alcock
Althouse
Augustine
Bakopanos
Bellemare
Bevilacqua
Boudria
Brushett
Bélair
Campbell
Chan
Cohen
Collins
Crawford
de Jong

Allmand
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bethel
Bodnar
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chrétien (Saint-Maurice)
Collenette
Comuzzi
Culbert
DeVillers

Dromisky
Dupuy
Eggleton
Fewchuk
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Godfrey
Graham
Grose
Harb
Hopkins
Irwin
Jordan
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacLaren
Malhi
Marleau
Massé
McTeague
Milliken
Murray
O'Reilly
Paradis
Payne
Peters
Phinney
Pillitteri
Reed
Rideout
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
Solomon
Stewart (Northumberland)
Taylor
Terrana
Tobin
Ur
Vanclief
Whelan
Zed—123

Duhamel
Easter
English
Finlay
Fontana
Gagliano
Gallaway
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hubbard
Jackson
Karygiannis
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
Martin (LaSalle—Émard)
McKinnon
McWhinney
Mitchell
O'Brien
Pagtakhan
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Wappel
Young

NAYS

Members

Abbott
Asselin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Chrétien (Frontenac)
de Savoye
Duceppe
Epp
Frazer
Gauthier (Roberval)
Gouk
Guimond
Hanrahan
Harper (Simcoe Centre)
Hermanson
Hoeppner
Johnston
Lalonde
Langlois
Leblanc (Longueuil)
Loubier
Marchand
Mayfield
Mercier
Morrison
Plamondon

Ablonczy
Bellehumeur
Bridgman
Bélisle
Cummins
Deshaies
Dumas
Fillion
Gagnon (Québec)
Gilmour
Guay
Hanger
Harper (Calgary West)
Hart
Hill (Prince George—Peace River)
Jennings
Kerpan
Landry
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Picard (Drummond)
Ramsay

Ringma
Silye
Stinson
Venne
Williams—61

Schmidt
Solberg
Thompson
White (Fraser Valley West)

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Bouchard
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Dubé
Gerrard
Harvard
Ianno
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Maheu
Martin (LaSalle—Émard)
Mifflin
Murphy
Nunez
Peric
Richardson
Robillard
Sauvageau
St-Laurent
Tremblay (Rosemont)
Wells

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Bernier (Gaspé)
Bertrand
Bonin
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Caron
Copps
Crête
Debien
Gaffney
Godin
Hickey
Jacob
Laurin
Leroux (Richmond—Wolfe)
MacAulay
Maloney
McLellan (Edmonton Northwest)
Minna
Ménard
Paré
Pomerleau
Ringuette-Maltais
Rocheleau
Speller
Tremblay (Rimouski—Témiscouata)
Volpe
Wood

The Speaker: I declare the motion carried.

ADJOURNMENT PROCEEDINGS

• (1920)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADIAN NATIONAL

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, on May 8 I rose in the House and asked the Minister of Transport to explain why the government appeared to have changed its policy outlined in the red book of resisting U.S. influence in the economy and in our nation by leaving the share offering that he was proposing in his commercialization bill for CNR open to foreign purchasers.

In the minister's response he said: "I have not seen any major changes in the way Canadian Pacific Railway operates and handles its shipments, as opposed to CNR". With that, he apparently was attempting to justify the fact that on a one time only offering of shares for ownership and control of CNR it would somehow come out with a similar kind of shareholding as Canadian Pacific.

I think the minister failed to recognize that Canadian Pacific began under the guidance of the government of the day and that there was an initial policy of Canadian ownership and control, even though some of the capital came from Great Britain and the United States. That tradition of existing shareholders, ownership, and control continues. It is not very likely that the balance of control over CPR would change overnight, as is possible with the CNR commercialization offering, because the shares will be offered all at once. If there are no Canadian bidders or purchasers it could conceivably all fall into the hands of foreigners, with the only control being that no one purchaser could hold more than 15 per cent.

I noticed that when the group that investigated commercialization for the government looked at it, they were attempting to answer the question of how competition could be encouraged to ensure that pricing and outcomes are not affected by the duopoly nature of railways in Canada. They were also asked to describe how the rationalization and abandonment process could be improved to ensure that efficiency and equity are addressed.

It seems to me that the proposal I put forward of putting the first share offering directly into the hands of farmers, because the amount of money is roughly the same as what is going to be netted from CNR after the brokerage fees are taken off and because the government had already decided to allocate $1.6 billion toward that end—that a different use of those funds would in fact allow for true competition because the users would then be the owners of the railway and it would be in their own interests to keep the prices for the service of the railway as low as possible. This would in fact force a new, never before seen kind of competition onto the rail sector in this country.

I cite as an example the kind of competition that resulted on the prairies in the elevator system in the teens and twenties, when farmers began taking over the ownership of government owned elevators at that time and the elevator system became truly competitive. For the first time in 20 years of buying grain, a truly honest, fair weight and fair pay were given.

• (1925)

This is the kind of thing we could expect if the government would accept the proposition that there are other ways of commercializing CN that would put full control directly in the hands of the users not just of owners.

I stress to the government that the question of control is even more important than who owns CN, the people who decide who will be the board of directors. Those directors would be making the decisions to operate the company afterward. If those directors had to respond and be responsible to the users, the resource industry which in this case would be the farmers, it would be a big step toward true global competitiveness.

The minister has said that he does not think farmers want to own CNR. He said outside the Chamber that he has some doubts they would be able to operate the CNR. I point out that they have a lot of experience outside of farm operations which has proven to be very beneficial to them, their communities and the economy. These have become very much commercial operations. This has held the farming and rural community in good stead.

For those farmers who do not wish to continue to hold shares in CNR, it would be very simple for them to sell the shares. I am sure that other resource users such as mines, timber businesses and sulphur shippers would be interested in buying shares, as would the initial farmer shareholders. As well, some port cities would be interested in owning shares that might become available from the farmers who wish to retire and dispose of their CN assets. There would be quite a diversified ownership of the company.

Most important, because those shares would come on the market slowly and not in 100 per cent blocks as is the proposition the government is putting forward, it would be highly unlikely that foreigners would quickly get to own and control the CNR.

It is especially important that when the east west policy is fully abandoned by the government, the natural flow will be north and south. The proposition of U.S. railroads and shippers ending up controlling the second railway in this country is not a prospect I who represent shippers in western Canada look forward to.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, this government's objectives are to put CN on a viable footing so that it maintains competitiveness with other carriers and to maximize the value of the sale of CN's shares to Canadian taxpayers.

To achieve maximum value the broadest possible distribution of shares is necessary. The initial public offering of CN will be the largest such issue in Canadian history. The Canadian equity market may not be large enough on its own to absorb such an issue of this size.

To ensure the divestiture of all the government's equity in CN at maximum value, markets outside of Canada will need to be assessed. The United States in particular will be an important market. Its numerous investors are familiar with the rail renewal and revitalization which Canadian railways and CN in particular are undertaking. Foreign ownership restrictions could jeopardize the participation of these investors.

Canadian rail policy does not restrict or prohibit foreign ownership. More than 30 per cent of CP's limited shares are owned abroad. By not limiting foreign ownership for CN it ensures a level playing field between both CN and CP in their ability to raise equity capital in global financial markets.

The government's financial advisers agree that a foreign ownership limit could reduce the potential size of the issue and would reduce the price. Limits could also prevent the government from selling the majority stake. Given the size of the share offering, a successful issue would be endangered if the potential shareholder base was limited to Canada.

While shareholder investment thresholds under the Competition Act and Investment Canada Act could conceivably have provided sufficient safeguards against an unwanted foreign takeover, the proposed 15 per cent limit on individual share ownership also acts as an effective constraint on foreign control. Past experience with Canadian initial public offerings indicates that foreign sales are unlikely to approach, let alone exceed, 50 per cent.

[*Translation*]

The Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.30 p.m.)

HOUSE OF COMMONS

Tuesday, May 16, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

CANADA POST CORPORATION ACT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ) moved for leave to introduce Bill C-326, an act to amend the Canada Post Corporation Act (membership of board of management).

He said: Mr. Speaker, the purpose of this bill is simply to ensure that, in the future, Canada Post Corporation will consider regional development in fulfilling its mandate. We realized that this corporation was very focused on production and did not necessarily take into account the development of each part of the country.

Changing the membership of the board of management would ensure representation from every province and territory in Canada. This would also prevent the concentration that may occur when the people sitting on Canada Post's board of management look after their own interests instead of those of people from the various provinces. That is the purpose of this bill.

(Motions deemed adopted, bill read the first time and printed.)

* * *

[*English*]

COMMITTEES OF THE HOUSE

INDUSTRY

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I move that the second report of the Standing Committee on Industry presented to the House on Tuesday, October 18, 1994 be concurred in.

It is with considerable pleasure that I rise to debate this motion. The committee had a very successful time in debating various parts of the access to capital for small business. Many of the things we talked about had to do with the lending institutions, in particular the chartered banks, trust companies, credit unions and groups of that sort.

The committee came up with 22 distinct recommendations. This is what we are talking about. The recommendations that the committee came forth with are the ones that ought to be concurred in. It is a pleasure for me to say that the banks have already moved in some of those directions.

• (1010)

Take for example recommendation No. 3. The committee recommends that the joint Industry Canada committee in consultation with the Canadian Bankers Association draft a code of conduct. It would explain to customers in plain language the information a loan applicant must disclose. There would be a clear explanation of reasons for refusing a loan, a commitment to guide customers to alternative sources of financing, and a commitment to provide an internal complaints handling mechanism.

The Canadian Bankers Association met with the committee in the earlier part of this year. It indicated clearly to us that it had established that kind of code of conduct. At first the association said it would be very difficult if not impossible to bring about some kind of standard of behaviour as far as treating the customers and the banks were concerned.

A lot of information is available now. It has been exchanged among the various branches of the banks. In addition to that, what is called an ADR which is a dispute resolution mechanism has been brought into being. It is an alternate dispute resolution mechanism that has been brought into being.

The committee also suggested that perhaps this was not good enough. It thought that probably there ought to be an independent ombudsman established. Recommendation No. 5 reads as follows:

> The committee recommends that the government establish an independent office of the bank ombudsman to investigate complaints of breach of duty or maladministration by the banks. As in the United Kingdom, the ombudsman should have the power to require banks to pay compensation to complainants for financial loss, inconvenience and stress.

The experience of the banks in Britain where this independent ombudsman has been operating for a number of years has been very salutary. It has helped small business people. It has helped various other people in the business world to deal with their

banks more successfully. It has also made the banks a little more humane in the way they deal with their customers.

When we brought this to the attention of the Canadian Bankers Association, it thought that perhaps there should not be an independent ombudsman who is outside the banking community but rather it should appoint its own ombudsman.

The Toronto–Dominion Bank has one of those people who was the leader in the Canadian chartered banking industry to do just that. It is apparently working very well.

It is interesting to note that the Canadian Imperial Bank of Commerce now has this kind of person on a full salary at the senior vice–president level. This person deals with complaints that various business people have with regard to their loans or other operations with regard to the bank.

There are other recommendations from the committee as well. We need to recognize that the committee proposes to continue monitoring small business access to capital by calling one or more banks as witnesses every quarter to review their performance in lending to small businesses. That process has begun.

The banks have indicated that indeed their performance with regard to lending money to small businesses has improved. At least they are prepared to tell the committee what exactly their operation is with regard to these activities.

We go beyond that. We have asked the superintendent of financial institutions together with Statistics Canada and the Bank of Canada to develop a new format for the collection, compilation and publication of statistics on bank lending to small business. These statistics should be based not only on the size and type of loan but also on the nature of the borrower, including gender, employment, sales, major sector of operations and municipality. These statistics should be reported quarterly.

It was very interesting to watch the reaction of the banks to this recommendation. They first said: "That is impossible. We cannot give you those kinds of numbers. We do not have those kinds of numbers. It would be a horrendous expenditure in order to give you these kinds of numbers. It cannot be done".

• (1015)

It is a great pleasure for me to report that in the quarterly review at the end of April the banks not only said they have the information, they are prepared to give it to the office of the superintendent of financial institutions and to the committee. That is a great move forward. It shows the kind of concurrence that we see in the industry which the committee had in mind in the first place.

It is not so much what the government does, it is what industry does which makes business run better. In the final analysis business makes this country run. Government provides the opportunity, the environment and the parameters within which business can operate more easily, more fluidly, more efficiently, more effectively and more successfully.

We need to recognize it is not government that creates employment, it is not government that makes the economy grow, it is business that makes the economy grow. In particular, it is small business that makes the economy grow. In the last five years 85 per cent of new jobs created in Canada were created by small business. Let us recognize the significance that small business has in the Canadian economy.

The committee goes on to suggest leasing should be encouraged. It urges the government to ensure that tax measures and other programs do not discriminate against this method of financing. There are situations in which the government through its income tax policy has discouraged this form of financing small business.

Often small businesses do not have the capital resources to expend huge amounts of money for the financing of capital expenditures. Very often, if they can lease the equipment, it is far more salutary and allows them to get on with their business. The money would be available for the operation, rather than having it tied up in capital expenditures or equity.

The committee goes on to recommend that the federal government establish a limited working capital guarantee for small and medium sized business exporters. Such a program should be self–financing and priced in a manner that is commensurate with the risk. Too often it seems to have been the philosophy or the modus operandi of governments that in order to help business they should give them something.

The committee does not agree that is what should happen. The government should create the environment which we talked about a moment ago and allow them to finance their businesses. If businesses need seed capital, that should be returned at a rate of interest which is commensurate with the risk involved in that particular situation.

We also need to recognize that the reference is to exporters, particularly small business exporters. Today most exports are by a very small number of businesses. I believe that approximately 100 businesses control 85 per cent of the export market. In other words, small business has not had as large a portion of the export market as it should have. If it did it would help the Canadian economy to grow. It would increase the global participation and competition of Canadian business in the world marketplace.

The report goes on to suggest that the government review the Small Businesses Loans Act. To the credit of the government, that is exactly what it has done. It ought to be commended for that. It has begun to concur with the recommendations of the report. If I remember correctly, the Small Businesses Loans Act ceiling was moved from $3 billion to $12 billion. The only difficulty is that in the past the government has had to write off about $100 million in bad loans. Does that mean that with a ceiling of $12 billion the bad loans will increase to four times that amount?

• (1020)

There have been, from the small business associations and also from the bankers, some concern that some of the provisions of the new small loans act amendments create an additional charge which may discourage some of the small businesses from taking advantage of the provisions of the small loans act as it has been amended.

Therefore we need to be very careful that when one moves to concur in these kinds of recommendations that one not move in such a way that the operation of implementing that recommendation mitigates against the purpose, intent and spirit of that recommendation.

The committee recommends further that the mandate of the Federal Business Development Bank be confirmed and refocused as a complementary lender to small and medium sized businesses and that it be authorized to use new financial instruments to fulfil its mandate.

I am sure members of the House noticed that yesterday the Minister of Industry introduced Bill C–91. The effect of that bill is to do precisely what this recommendation suggests be done. That makes a committee feel its work is very significant and has not been ignored. The government has recognized the hard work of the committee.

We need to recognize in detail exactly how the business development bank, under the new name of the business development bank of Canada, will operate. Will the operations of that bank become an extension of the Canadian federal treasury or, as the minister implied yesterday, will the capital used for loans come from private sources of one kind or another.

The new sources of capital that the Business Development Bank of Canada needs to look at is that money that exists in the private sector today and money that can be patient, particularly for new, innovative ventures. It should also include the high tech areas where the science and technology involved in those businesses is very far reaching, very expensive and does not create an immediate return. It requires a lot of seed capital for the intellectual background, the experimentation, the building of prototypes and things of that sort before it actually goes into active and profitable production.

The Federal Business Development Bank, or under the new name of the business development bank of Canada, could form and fill a particular niche in our economy.

The difficulty we need to guard against is it not becoming another crown corporation that is a drain on the taxpayer. It should be a self–sufficient, self–financing organization. To date, the operation of the Federal Business Development Bank has been a profitable venture and that needs to be continued in the future. I hope that the kinds of things that Bill C–91 envisages will indeed take place in that regard.

However, we are not done yet. This committee did a lot of very hard work. It dealt not only with the chartered banks which it said are doing a reasonably good job. It could do a lot better in some places but is that not true of all of us? We can all improve. We would like to get the banks to take their responsibilities and carry out their mandates a little bit better.

I now want to move outside the banks and into the trust and loan companies. The committee recommends that the trust and loan companies act be amended to remove the arbitrary capital requirements for the establishment of a trust company and the acquisition of full commercial lending powers. The superintendent of financial institutions should instead establish guidelines setting out conditions for the establishment of new federally chartered trust companies and for the acquisition of full commercial lending powers. Institutions meeting these guidelines would be able to operate in Canada and make commercial loans using the prudent portfolio approach.

• (1025)

It is precisely on the last phrase "using the prudent portfolio approach" that I wish to spend a few moments. In the last number of years we have seen the collapse of some very major financial institutions, one of which was Confederation Life, that probably everyone in the House remembers only too well.

I remember the appearance before the committee of the superintendent of financial institutions and the questions the committee members asked this individual. How was it possible that a major financial institution like this could collapse in Canada? It is very serious when such an institution collapses.

The superintendent of financial institutions has come under the scrutiny of the auditor general. On Friday of this week he was reported as saying in the *Financial Post*: "The auditor general and Ottawa's financial institutions watchdog are at odds". We have the auditor general on the one hand and the superintendent of financial institutions on the other at odds over when federal regulators should intervene to deal with troubled Canadian trust and insurance companies.

The superintendent of financial institutions has been given the responsibility by Parliament on behalf of the people of

Canada to assure the financial soundness of banking institutions, insurance companies, credit unions and various other financial institutions.

The auditor general has been given the responsibility to investigate how successfully the office of the superintendent is doing its job. The superintendent specifically says: "I and the auditor general do not agree what my job is". Who is going to do the job, the auditor general or the superintendent of financial institutions?

The article goes on to explain what some of the issues might be. For example, the auditor general portrayed OSFI as sometimes being too slow to intervene with financial companies in trouble. The superintendent of financial institutions, John Palmer, who assumed the post last September, disputed the regulatory approach and said: "Your officials appear to favour a more mechanical system in which specific regulatory intervention would be required when specific numerical thresholds are violated. In our view it is essential to preserve the role of judgment in determining how and when to intervene".

If the Superintendent of Financial Institutions is to exercise judgment without looking at the numbers, there is no question that can put us into a lot of potential difficulty. This is a good example of where an individual needs a very hard head to understand the numbers and to make sure that the balance statements, the equity position and the financial situation of financial institutions are sound.

However, he needs to show a compassion that recognizes when situations have developed, when conditions have changed. He needs to be somewhat kind and give them some time to balance the sheet again if there is an indication a change can take place and the institution can become financially solvent if he had a little patience. It should never be done without a very hard headed look at the dollars and cents and to make sure the institution is sound and that management is capable of turning the institution around.

In the last little while we have seen financial institutions which were on the brink of bankruptcy long before anything was done to call them to account.

• (1030)

It is to the credit of some of the other people who are coming back now and saying that the confederation life policy holders are to get back 70 cents on the dollar and that perhaps in some cases they will get back substantially more. It is absolutely tremendous that this can happen in Canada. The critical situation is that this should never have been be allowed to happen in the first place. That is why we need to concur in the recommendations this committee has brought forward.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I would like to ask my colleague for a point of clarification regarding his reference to FBDB.

Many times in the House we hear discussions with regard to regional development grants from the Atlantic Canada Opportunities Agency, FORD–Quebec, and western economic diversification. What is his feeling about the role of these regional economic development agencies and that of FBDB? Could they be rolled into one or is there a role for each in this country?

Mr. Schmidt: The whole concept behind regional development has evolved to some degree. We need to recognize that the implementation of the regional economic development agencies has subsidized businesses that could not make it on their own. It has created artificial competition between businesses that were in existence and new ones created across the street so that neither of them could succeed profitably. It has given industries an artificial cushion, because it has not required that the money that was given to them be paid back.

If we are to have regional development it should be done in a fair and open marketplace with competition. It ought to be done in manner such that all businesses know what is going on and they are all on a level playing field and competing fairly with one another and whatever money is given ought to be paid back with a reasonable rate of return.

These are precisely the kinds of things the Federal Business Development Bank was supposed to be doing in the past when it was the lender of last resort. If that kind of thing continues, if regional development agencies develop a flat playing field, create competition, and require the money to be paid back, then there is no reason they could not be rolled into one. The bankers' criteria of lending money could be applied and the whole business would run a lot better than it does at the present time. I suppose the end result of that statement is they could be rolled into one, but under certain conditions.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I thank the member for Okanagan Centre for his concern about small business and for bringing this to the attention of the House, despite the fact that we thought the government would be bringing forward debate on Bill C–88, a bill that would deal with internal trade barriers and hopefully remove some of those.

I wonder if the member would expound on whether the report deals with the harm caused to small business because of the trade barriers we have in Canada between provinces. It has been

determined that these trade barriers cost our country $6 billion to $8 billion every year, and I suspect the brunt of that cost is borne by small business.

I would like the hon. member to relate to the House what the harm of these trade barriers is to small business and whether the report does make any recommendations, and also whether Bill C–88 does go far enough in bringing an end to these trade barriers, which are so harmful to Canadians.

• (1035)

Mr. Schmidt: Mr. Speaker, the hon. member certainly knows how to ask complicated questions, but they are very significant questions.

The important thing is that one of the greatest hindrances to small businesses developing is the existence of trade barriers across Canada. They are a multitude in number. I believe at the last count there were somewhere between 500 and 750 of these trade barriers.

Estimates vary as to how much they actually cost. In some cases people argue that it is about $5 billion a year to the Canadian economy, in other cases they will say that it is $7 billion, depending on which set of figures is used. That means the average family in Canada spends $1,000 or $3,500 per year more than it would pay for the same goods and services if the trade barriers did not exist.

One of the embarrassing things for us as Canadians and parliamentarians is that it is often easier to trade with other countries, in particular our neighbour to the south, than it is to trade across Canada. How do we bring these kinds of things together? It seems so stupid to tell someone it is easier to trade, for example, between Vancouver and Spokane. It is wide open. There is an organization called Cascadia, which promotes this kind of economic development. It is so easy to do, because the trade barriers between Canada and the United States have virtually been eliminated. And now with NAFTA that goes all over the place.

There was a principle announced in the red book that states that Canada should be unified. By not dealing with the internal trade barriers we are in fact disunifying Canada and creating a situation where trade is now north and south but not east and west.

That is one of the great barriers for small business. We would like to be strong at home first before we go abroad, but that is not an opportunity today. We have to become strong internationally and then we can perhaps afford to go over these trade barriers within Canada. It is a reverse, backwards kind of thing. It hurts our feelings of patriotism. It frustrates our feelings of economic unity as well as political unity. It is those kinds of things that we have to tear down so that we can help each other and feel important as Canadians—as important in Nova Scotia as we are in British Columbia, as we are in Ontario, as we are in Quebec, as we are in Manitoba, Saskatchewan, Alberta, and so on across Canada.

The hon. member asked a very good question with regard to those things. Does the federal trade agreement that is now before the House and is supposed to be implemented through Bill C–88 do that? It does not.

We will hear from various members on this side of the House who will say clearly where this trade agreement falls short. It does not deal with the very basic issues.

The idea is a very good one. Let us recognize this right off the top. Recognizing that internal trade barriers in Canada are a significant problem is very important. All our premiers have now recognized that is a problem. The issue, however, is that although they have recognized there is a problem they have not solved the problem. When we get to the dispute resolution mechanism, what do we get? We get the opportunity that if they cannot resolve the conflict then they can retaliate. That is exactly where we are today. What have we achieved?

The agreement has to have some teeth in it. I submit that it does not have those teeth.

In answer to my hon. colleague's question of whether the trade agreement does those things, it moves in the right direction but it does not go anywhere near far enough. Does it help build the unity of Canada? No, it does not. Does it hurt small business? Yes, it does. It is an embarrassment to many of us because we can trade more easily north and south than we can east and west.

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am very sorry that the Reform Party has decided to waste the time of this House with a debate on a motion for concurrence in a committee report.

It is a real waste of time, since a bill to continue the Federal Business Development Bank under the name of Business Development Bank of Canada is already listed in the *Order Paper*. We may pass this bill this afternoon without wasting the time of the House, as was the case this morning.

• (1040)

[*English*]

I am sorry the Reform Party feels it has to take up time debating a report that was tabled in this House last October when there are bills waiting to be passed that could deal with the issue.

To avoid any further waste of the House's time and cost to the Canadian taxpayers, I move:

That the House do now proceed to Orders of the Day.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 222*)

YEAS

Members

Adams
Anderson
Assad
Asselin
Axworthy (Winnipeg South Centre)
Bakopanos
Bellehumeur
Bergeron
Bethel
Bodnar
Brown (Oakville—Milton)
Bryden
Bélanger
Caccia
Campbell
Caron
Chamberlain
Chrétien (Frontenac)
Cohen
Collins
Crawford
Culbert
Deshaies
Dingwall
Dromisky
Duhamel
Dupuy
Eggleton
Fillion
Finlay
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Roberval)
Godfrey
Gray (Windsor West)
Guarnieri
Guimond
Harvard
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
Landry
Laurin
Lebel
Lee
Anawak
Arseneault
Assadourian
Augustine
Bachand
Beaumier
Bellemare
Bernier (Mégantic—Compton—Stanstead)
Bevilacqua
Boudria
Brushett
Bélair
Bélisle
Calder
Canuel
Catterall
Chan
Chrétien (Saint-Maurice)
Collenette
Cowling
Crête
Debien
DeVillers
Discepola
Duceppe
Dumas
Easter
English
Finestone
Flis
Gagliano
Gagnon (Québec)
Gerrard
Goodale
Grose
Guay
Harb
Hickey
Hubbard
Iftody
Jackson
Keyes
Knutson
Lalonde
Lastewka
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Lefebvre
Leroux (Richmond—Wolfe)
Loney
MacLaren
Maloney
Marchand
Marleau
Massé
McKinnon
McTeague
Mercier
Mitchell
Ménard
O'Reilly
Pagtakhan
Patry
Peric
Phinney
Pickard (Essex—Kent)
Plamondon
Reed
Richardson
Ringuette-Maltais
Robillard
Scott (Fredericton—York—Sunbury)
Shepherd
Skoke
Stewart (Northumberland)
Telegdi
Thalheimer
Torsney
Ur
Vanclief
Verran
Wood
Zed—165
Lincoln
MacAulay
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Murray
Nault
Ouellet
Paradis
Payne
Peters
Picard (Drummond)
Pillitteri
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Speller
Szabo
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Valeri
Venne
Whelan
Young

NAYS

Members

Abbott
Althouse
Breitkreuz (Yorkton—Melville)
Cummins
Epp
Frazer
Hanrahan
Hayes
Hill (Macleod)
Hoeppner
Johnston
McClelland (Edmonton Southwest)
Morrison
Ringma
Silye
Solomon
Strahl
Williams—35
Ablonczy
Benoit
Bridgman
de Jong
Forseth
Gilmour
Harper (Simcoe Centre)
Hermanson
Hill (Prince George—Peace River)
Jennings
Mayfield
Meredith
Riis
Schmidt
Solberg
Stinson
White (Fraser Valley West)

PAIRED MEMBERS

Alcock
Bertrand
Bonin
Copps
Daviault
Jacob
Mifflin
Nunez
Pomerleau
St-Laurent
Volpe
Bernier (Gaspé)
Blondin-Andrew
Cauchon
Dalphond-Guiral
Gaffney
Lavigne (Beauharnois—Salaberry)
Murphy
Paré
Rocheleau
Tremblay (Rosemont)
Wells

• (1120)

[*Translation*]

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Motion agreed to.)

[*English*]

Mr. Comuzzi: Mr. Speaker, on a point of order, I apologize to the Chair for being late but had I been here I would have voted with the government.

GOVERNMENT ORDERS

[*English*]

CHEMICAL WEAPONS CONVENTION IMPLEMENTATION ACT

Hon. Fernand Robichaud (for Minister of Foreign Affairs), Lib.) moved that Bill C–87, an act to implement the convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction, be read the second time and referred to a committee.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, on behalf of the Minister of Foreign Affairs I am pleased to initiate the debate on Bill C–87, an act to implement the convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction.

This draft legislation represents the achievement of what has been for successive Canadian governments one of our most important priorities in the arms control and disarmament field, a multilateral agreement on a global and comprehensive ban on chemical weapons.

Such an agreement is of special importance for Canadians. It was almost 80 years ago that Canadian soldiers were among the victims of the first gas attack in Ypres Salient in April 1915. There are still alive today Canadians who remember with horror the effect of such weapons on their friends and comrades, their husbands, brothers and fathers.

Having let this horrendous genie out of the bottle, the international community has ever since sought ways to control and suppress it. The Geneva protocol of 1925 was the first such attempt but its scope was effectively limited to a ban on the first use of chemical weapons and many states, Canada included, felt obliged to develop and stockpile such weapons against the possibility that they might be necessary to retaliate against future attacks with chemical weapons.

• (1125)

The hon. member for Hamilton—Wentworth, who will be speaking after me, has done a lot of research in that area. Hon. members may wish to consult with him for more information.

While our troops in subsequent wars were spared the horrors of further chemical attacks, neither the Geneva protocol nor mounting international condemnation of these weapons prevented other states from using them in other wars, most recently in the Iran–Iraq war. Even more monstrous, some have gone so far as to use chemical weapons against defenceless civilians. Who can ever forget the shocking pictures of the Iranian and Kurdish victims of Iraqi chemical weapons or the terror inflicted on Israeli citizens by Saddam Hussein's threats during the gulf war to rain chemical weapons down on Israel.

Spurred on by such barbarities, negotiators at the conference on disarmament in Geneva redoubled their efforts to conclude a multilateral agreement on chemical weapons which would forever remove this scourge. Canada is proud to have made a major contribution to these efforts, from the days in 1983 when a Canadian, Ambassador Donald McPhail, chaired the committee that developed the first outline of such a treaty to the successful conclusion of negotiations in 1992 when Canada was in the first rank of those pressing most strongly for a truly effective ban.

The chemical weapons convention resulting from these negotiations which opened for signature in January 1993 represents a major multilateral success. For the first time a whole category of what are known as weapons of mass destruction is to be eliminated. All stock piles of chemical weapons are to be destroyed under international supervision, along with the facilities which produced them. A verification regime which is global, comprehensive and effective is to be set up to ensure such weapons will never be developed again.

The convention is unique in a number of respects. Not only does it oblige states parties to destroy all existing stocks of chemical weapons and the facilities which produced them within a set time frame and under close international supervision, it also establishes a system of verification and inspection which is by far the most rigorous ever developed in a multilateral agreement.

Moreover, it does not just ban any future development of chemical weapons but seeks to safeguard against clandestine chemical weapon production through international monitoring and inspection of all facilities which might be used for such activity. Again uniquely, it extends this regime into the global civilian chemical industry. The basis of this verification regime of civilian industry is set out in three schedules or lists of toxic chemicals which either have been used as chemical weapons or are chemical weapon precursors.

Facilities working with such chemicals will annually report on their activities to their governments and through them to the international monitoring and inspection organization being set up in The Hague, the organization for the prohibition of chemical weapons, or OPCW. If their activities exceed certain thresholds they will be liable to inspection by international inspectors.

The convention's overview of industry extends even further because certain facilities which produce what are called unscheduled discrete organic chemicals, particularly those which contain phosphorus, sulphur or fluorine, can be adapted to produce chemical weapons.

The convention also requires these facilities to report on their production activities and provides for the future development of a system of random inspections of such facilities. Thus the scope of the convention extends beyond chemical and pharmaceutical industries and covers facilities producing pesticides, fertilizers, paints and coatings, textiles and lubricants.

Given the confidential nature of some of the information being reported by industry, the convention has its own provisions for protecting such information and requires states parties to abide by those provisions. The convention also requires states parties to institute restrictions on the export and import of schedule chemicals with states not party to the convention.

• (1130)

Perhaps the most novel element of the convention is the provision allowing for states parties to have the right to demand short notice or no right of refusal inspections called challenge inspections of any place, whether government or civilian, where they believe activities are being carried out incompatible with the obligations and goals of the convention.

In another departure from general practice the convention obligates states parties to pass penal legislation that not only encompasses activities on their own territory but also prohibits their citizens from undertaking forbidden activities outside their territory.

The convention has its own sanctions regime, although it also recognizes the pre–eminent authority of the United Nations security council regarding mandatory sanctions in the case of serious violations of the convention.

In view of the breadth and complexity of the convention, the Canadian government, like many other signatories, has given very close consideration to how its obligations shall be implemented in Canada.

Fortunately whereas the convention is 160–odd pages long, the draft legislation resulting from that consideration now before us is barely more than one–tenth that length and yet encompasses all the obligations that arise out of the convention relevant for Canada.

As Canada does not possess chemical weapons or chemical weapon production facilities, the related provisions of the convention do not pertain to Canada. Instead, the main impact on Canada arises from those provisions concerned with industry activities. The act's central provision is to ban completely anyone's activity relating to anything with chemical weapons in exactly the same terms as are used in the convention.

Also, as provided in the convention, these provisions ban the use of riot control agents as a method of warfare. Operationally speaking, as required by the convention, the draft legislation authorizes the Minister of Foreign Affairs to designate officials to act as Canada's national authority which will serve as the national focal point for liaison with the organization for the prohibition of chemical weapons, OPCW, and other states parties, collect the required information for the affected industries and transmit it to the OPCW and facilitate international inspections of Canadian facilities.

The draft legislation then spells out clearly the conditions under which the required information will be obtained; the right of the international inspection teams to conduct inspections in Canada in accordance with the provisions of the convention, and the roles and responsibilities of the national authority in facilitating such inspections. Because of the need to protect confidential information, it contains appropriate provisions to do so. It extends existing controls on chemicals by specifying all the chemicals on the convention's three schedules will be subject to the authority of the Export and Import Permits Act.

It institutes penal provisions and applies those to both activities on Canadian territory and activities by Canadian citizens outside of Canada. It further makes clear the enforcement of the proposed act will be conducted under the Criminal Code.

It provides for appropriate regulations to be prepared concerning inter alia the collection of the required data and the procedures under which the national authority will carry out its assigned responsibilities.

In considering this draft legislation, the government's first concern has been to ensure all of its obligations under the convention have been fully met. At the same time, however, the government has also paid very close attention to the convention's impact on the affected Canadian industries and has sought to achieve maximum effectiveness with the minimum amount of interference in the legitimate activities of those industries.

• (1135)

Fortunately in this regard the government has benefited from several years of close consultations with the most affected industries both during the course of the negotiation of the convention and in the preparations for the convention's implementation in Canada.

Throughout, the response from industry has always been positive and constructive. It was the Canadian Chemical Producers' Association which produced one of the first papers submitted to the conference on disarmament concerning the issue of confidentiality.

In 1990, thanks to the co–operation of the Canadian Pharmaceutical Manufacturers' Association and Merck Frosst, government officials were able to conduct a trial inspection of the Merck Frosst facility near Montreal to test the verification provisions of the convention. Both associations provided representatives to participate in annual industry consultations with negotiators in Geneva.

In our preparations to implement the convention in Canada, we have continued to consult closely with industry on the impact of the convention by distributing information brochures, briefing industry associations and contributing articles for industry publications, conveying information seminars and sending questionnaires and information material to some 2,100 companies across Canada to help determine which companies will be affected by the convention.

Almost without exception the response from industry has continued to be very constructive and encouraging. We confidently expect that as we proceed with this draft legislation and its associated regulations, this high level of co–operation with industry will continue.

The government believes the draft legislation before us is not only appropriate and necessary but represents the most balanced and cost effective means of implementing the convention obligations in Canada.

We all recoiled with horror some two months ago when in an unprecedented act of senseless barbarity, madmen unleashed chemical weapons on unsuspecting Tokyo commuters one early spring morning. We may not be able to prevent individuals from committing such unspeakable acts, but with the successful passage of the proposed legislation we can at least hope to control and deny them access to the materials for such weapons. This morning I was very pleased to read in the news that the police in Japan arrested those responsible for the nerve gas attack on Tokyo's subway.

With all party co–operation, which we will be getting in consulting with the official opposition and the third party, all three parties would like to get this legislation through as quickly as possible. When we do, hopefully the convention and the legislation will prevent the production, stockpiling and use of the kind of substance used on the Tokyo subways.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I am pleased to rise in this House today on behalf of the Bloc Quebecois to speak on Bill C–87, an act to implement the convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction.

We appreciate that the convention is the result of a long and complex negotiation process that took nearly 20 years.

For more than 100 years, the international community has been seeking to outlaw these weapons, or at least their use, because they are inhumane and of rather limited military value.

We should also rejoice over the fact that the convention is the first multilateral disarmament agreement prohibiting an entire class of mass destruction weapons. Under this convention, it is illegal not only to produce, but also to acquire, stockpile, transfer, use or engage in military preparations to use chemical weapons or assist anyone in any activity prohibited under the convention.

• (1140)

The prohibition applies not only to chemical agents but also to their vectors and any equipment intended for use in relation to chemical weapons.

We are pretty happy with the wording of the convention, which strikes a balance in a mix of areas, such as the protection of sensitive activities and ready access for inspection teams.

The convention provides for a challenge inspection mechanism while at the same time protecting sensitive and legitimate activities by putting time limits on the inspections, and by providing for restricted access and measures to deter abuse.

A balance was also struck between the need to maintain control over exports to suspect states and the will to liberalize the chemical products trade. Members of the Australian group, which includes Canada, and which monitors the proliferation of chemical weapons and defines the guidelines for controlling exports to countries deemed to have chemical weapons, pledged to review their policy and eliminate controls in the case of those states which fully comply with the convention.

Another balance was struck between the requirement to destroy chemical weapons within prescribed time frames and the need to take economic implications into account. All those states which own chemical weapons will have ten years to destroy both the weapons and the production facilities. However, the convention allows for an extension of up to ten years, under more stringent controls which are tantamount to turning over the weapons and facilities to the international community.

The destruction of a chemical weapons production facility costs ten times more than its construction. Consequently, we are concerned about the financial implications, for some states, of this requirement. The problem is very real, even though the convention provides for the temporary conversion of some production facilities into destruction facilities, where this is

feasible and cost effective, thus making it possible to declare such production facilities as having been converted.

Indeed, one of the problems related to the implementation of the convention will be the destruction of arsenals, which is a complex and extremely costly operation. The cost of destroying the American arsenal of these weapons is estimated at $8 billion. Russia, which does not have the funds, has 40,000 to 60,000 tonnes of substances to destroy, which is quite the task and will undoubtedly take over 10 years and then again, only if western countries lend a hand.

By the way, we are not entirely satisfied with the verification system. However, we realize that they are the fruit of several years of negotiation and that they strike a balance between the need to have an efficient means of checking whether countries are respecting the convention and the legitimate need to maintain secrecy in defence and industrial matters which are not related to the prohibited chemical weapons.

We would have nevertheless preferred much stricter controls. The current convention is perhaps the best agreement possible under the circumstances. Regardless, we must admit that the Convention does contain the most rigorous controls ever included in a multilateral agreement. They permit the organization to confirm that substances and chemical weapons factories have actually been destroyed, to monitor very closely all operations authorized to produce certain toxic chemical products, to keep a database on the world chemical industry and, at the request of the signing states, to make inspections.

• (1145)

In addition, the on–site challenge inspection will in fact permit any signing state to request a universal inspection of a suspicious operation in another country by the secretariat of the organization and a multilateral inspection team.

We have concluded that the text of the convention is to be criticized for lacking coherence and logic in certain areas. In some cases, for example facilities used to stockpile or to manufacture chemical weapons, it goes into the greatest descriptive detail, and in others, for example the clauses prohibiting the development of chemical weapons, it fails to go into enough detail.

Furthermore, the verification system for declared facilities seems unnecessarily cumbersome and costly, while the so–called challenge inspection system has far less clout.

A major drawback is that paradoxically, enforcement mechanisms will not be in place when the convention comes into force. The director general will still have to be appointed, inspectors confirmed and the list of inspection equipment approved. In other words, each state party to the convention will have the right to request and obtain a challenge inspection, but there will be no one to carry it out. This is only one of the problems the preliminary commission will have to consider very carefully.

Surely it would have been more reasonable to wait until the organization is in a position to fully exercise its mandate before the main obligations set forth in the convention come into force?

It is also unfortunate that the sanctions provided under the convention are not more specific. Article XII authorizes the organization to ask a state party to the convention that does not fully comply with it to take corrective action. If the incriminated country refuses, the organization can then apply a certain number of sanctions and recommend to states parties a number of corrective measures in accordance with international law.

However, the convention remains silent on the kind of sanctions that can be applied. Furthermore, in recognition of the ultimate responsibility of the UN Security Council for international peace and security, very serious cases may be referred to this body for possible further action, in accordance with the UN Charter.

I would like to take a few moments to consider the consequences for the chemical industry in Quebec and Canada. The convention would not appear to have a major impact. Since the second world war, Canada has not produced chemical weapons and has even destroyed its stockpiles. Under the convention, the chemical industry in Quebec and Canada will, however, be subject to regular monitoring. The national authority, an agency to be designated in each state party to the convention, will provide the link with the organization.

The signatory states are required to submit statements to the organization concerning specifically the possession of chemical weapons or the manufacture or export of designated chemicals. These statements will subsequently be used in on–site inspections.

As Canada has neither chemical weapons nor facilities for their manufacture, it would appear that the effect of the convention will be limited in its case to trade.

• (1150)

We believe that Canada should assume some leadership with respect to this convention. There is good reason to ask, in fact, what role Canada intends to play in encouraging its partners to ratify the convention as quickly as possible. Canada should assume some leadership in this regard.

Until now, nothing has indicated this to be the government's intention. If it intends to be consistent, it should announce a series of initiatives in this regard in the coming weeks. After all, only 28 countries have ratified the convention up to now, and there should be 65. Need I mention that neither the United States

nor Russia has signed yet? Furthermore, other important states that have yet to sign include Iraq, Libya and North Korea.

In the case of Russia, we realize that the costs of complying with this convention will be significant. However, without Russia and the United States, the convention will not entirely fulfill its role, since Russia and the United States have the biggest stockpiles of chemical weapons. Whatever the case, we believe that, if we support this bill, Canada will soon carve out a prime niche for itself within the various institutions of this new international organization.

In our opinion, the convention on chemical weapons constitutes a fine opportunity to eliminate the threat of chemical weapons. The other option would be to continue to take measures in isolation, an approach that would have neither the generality nor the global legitimacy of the convention. The convention gives traditional arms control a universal scope, with the added possibility of responding vigorously to non–compliance. It also calls for widespread support to determine who complies and who does not as well as what political action is appropriate.

We are therefore happy to support this bill, making Canada one of the first to sign the convention. In our view, this is far from an ideal document. The Bloc Quebecois appreciates however that it is the result of complex and comprehensive negotiations, during which several countries had to make concessions on issues they considered extremely important because they could not get the support of other countries.

Canada is probably one of the countries which had to make the most concessions in order to come up with this document, because it was strongly in favour of an efficient, comprehensive and global inspection scheme that would help build confidence. The Bloc Quebecois fully agrees with the position taken by Canada in the past. In fact, we still consider being able to request an inspection anywhere, anytime, and seeing this inspection carried out immediately without restrictions being imposed on inspectors as the best way of ensuring safety.

While, at present, few countries recognize possessing chemical weapons, notably the United States, Russia and Iraq, we know that many more have the means to use such weapons. We were all distressed by the pictures of Iranians and Kurds killed by Iraqi chemical weapons in the Gulf War. We also feared that chemical weapons could be used against not only troops, but civilian populations. We hope that the implementation of the convention will speed up the peace process.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure and an honour to speak today on Bill C–87.

It is a very poignant moment to do so, given the fact that a little more than a week ago we celebrated the 50th anniversary of Victory in Europe Day all across the world.

• (1155)

Today we are moving toward enacting a bill to implement the convention on the prohibition of the development, production, stockpiling and use of chemical weapons. The saying goes that all is fair in love and war, but there are conventions which dictate to us as human beings a minimum level of behaviour even in the horrors of war.

This basic level of human behaviour is an obligation of those who engage in war. The use of chemical weapons contravenes that in a most heinous fashion. Terrible acts have been committed on fellow human beings. Chemical weapons are one example of what has happened.

Chemical weapons are weapons of mass destruction. The chemical weapons convention was signed by over 130 countries in January 1993. It is the first multilateral agreement that abhors an entire class of weapons of mass destruction. The act enables an organization to look at chemical weapons production facilities to ensure that they will be destroyed and that the chemical weapons stockpiled by countries will also be destroyed.

All government and industrial facilities will be monitored and the act will be implemented by the countries. It is a powerful act but it is necessary. It is important to realize that it does not impinge on industries to engage in legitimate industrial production of chemicals. It comes down on industries and countries manufacturing chemical weapons for aggressive and warlike purposes.

I reassure industry in Canada that the purpose of the act is not to come down on it but to form a broad framework to be applied not only in this country but in other countries for the collective security of all. I also reassure the industry that its stocks will not be destroyed in any way, shape or form.

There are three categories of schedules in the act. Schedule 1 includes such chemicals we are aware of such as sarin, tabun, soman, and the mustards that were used with widespread and tragic effectiveness in World War I. There are some legitimate uses for these chemicals in pharmaceuticals and in cancer research. Some of the precursors are used. Therefore one would have to obtain permission or a licence in order to use them, and that applies to all 130 signatories.

Schedule 2 includes such chemicals as amiton, which are key precursors for schedule 1 chemical weapons. The individuals and companies that make them will be subjected to scrutiny if they make over a certain amount.

Schedule 3 is the least powerful, the least destructive of all, as they are often used in industry but can in large enough quantities

be used as chemical weapons. We have such chemical weapons as hydrogen cyanide and phosgene that have been used before. Companies that manufacture these chemicals will be eligible for occasional checks and balances as time goes on.

In the act is the establishment of national authorities responsible for collecting information that they will give to an organization that has been set up called the Organization for the Prohibition of Conventional Weapons or the OPCW.

All signatories are essentially responsible for checking within their countries all the industries that will be manufacturing any of the chemicals in the three schedules I mentioned.

The information will then be given to the OPCW which will then decide if it is necessary to take further action. The national authorities in conjunction with the OPCW will facilitate the inspection. They will also control the export and import of chemicals where necessary. The country of origin is responsible for enacting Criminal Code legislation that will provide penalties, fines and imprisonment if individuals or companies are engaging in the production of chemicals for aggressive warlike use in the future. Again, we must make the distinction that the convention is not to be used against companies engaging in the production of chemicals for medicinal or industrial purposes.

• (1200)

I caution the government that the cost should not be excessive. We must do this within our fiscal constraints. We want to ensure that the agency that will be set up will not be onerous or develop a morass of bureaucracy in the future. We do not have the money to do that, as we all know.

Some may argue why this convention is necessary; did chemical weapons not go out with the first world war? The reality is unfortunately they did not. We have seen more recently in Japan the release of chemical weapons that had tragic effects. Sarin was released on a civilian population, killing hundreds of individuals. Stockpiles have been found in Japan. More recently the Iraqis have used chemical weapons for aggressive purposes to commit genocide within their own country against Kurdish individuals. That is a hot spot which will affect us in the future.

The convention was designed to keep good countries in check and to come down hard on those countries that would seek to use these weapons from Hades in a fashion that is aggressive and would cause destabilizing effects.

The UN will be the ultimate body that will receive information from the OPCW. That brings a larger question, which we ought to examine, which is the ability of the United Nations to act quickly and effectively in the face of threats to regional and international security. We have seen Rwanda, Burundi, the former Yugoslavia, Angola, Sierra Leone, and the list goes on. In fact there were over 40 major conflicts in the world last year. That number is not decreasing; rather, it is increasing. In the future we will see countries such as Nigeria, the Sudan, possibly Kenya, Kashmir, and a host of other countries blowing up—not to belittle those already on the front pages of newspapers, showing on a daily basis the tragedies civilians are enduring in places like Bosnia, Croatia, Burundi, Rwanda, East Timor. The list goes on and on. We have learned nothing in over 50 years. We ought to remember that.

The OPCW is an example of what is considered to be conflict prevention. Even though this is a small but very important act, there are many lessons that can be learned as conflicts loom ahead. In fact there are many things we can do to prevent future conflicts. The United Nations must set in place a list of transgressions that are completely unacceptable to the international community. It must set a list of transgressions down that are threats to regional and international security, behaviours that are considered to be patently unacceptable such as genocide and gross human rights abuses.

I also mention countries engaging in self–destructive behaviours. I bring to the attention of the House the expenditures occurring in military hardware. Many people believe that in the post–cold war era we live in a safer place. We are far from it. The world as we know it now is a much more dangerous place.

While there was a decrease in global arms spending from 1987 to 1990 of some $240 billion, military spending in many parts of the world has actually increased. It is interesting to note which countries are increasing their expenditures. Curiously enough, it is particularly in the poorest areas of the world. Sub–Saharan Africa and east Asia did not have a decline in their military expenditures; rather, they were increased.

In general when we see violent conflicts occurring the military expenditures are increasing also, which means that they are taking away from the expenditures necessary in providing basic human needs.

• (1205)

According to the UNDP, in 1990–91 all developing countries spent the equivalent of 60 per cent of their combined expenditures for education and health on military expenditure, compared with 33 per cent in industrialized countries.

Let us take a look at who spends the most on military hardware. It is very telling. In 1990–91: Somalia, 200 per cent military spending compared with health and education spending; Ethiopia, 190 per cent; Angola, 208 per cent; Yemen, 197 per cent; Pakistan, 125 per cent; India, 138 per cent; Myanmar, 222 per cent; Iraq, 271 per cent; Sri Lanka, 107 per cent; Syria, 373 per cent of its spending for education and health was spent

on military expenditures. Clearly these countries are not among the richest of the world; rather, they are among the poorest.

Along with this list of transgressions we also need to draw up a list of responses from the international community. For example, early diplomatic initiatives can be employed, along with positive propaganda. The former Yugoslavia and Rwanda are interesting examples. When the conflicts were first beginning, the people who started to stir up and fan the flames of ethnic discontent were in part using negative, hateful propaganda. The people who were on the ground, NGOs and representatives from other countries, saw this and were helpless to do anything about it.

A lot could be done if a system were set in place by the United Nations to immediately put positive propaganda into the theatre when negative and hateful propaganda is being spewed forth by individuals who are trying to fuel the flames of ethnic discontent and trying to stimulate conflict. I think it would do a lot to dampen down the hatred and ethnic conflict as it starts. It is an interesting area for us to try to convince the United Nations to engage in.

Another aspect, which is particularly appropriate given the fact that the G–7 summit is occurring in Halifax in June, is the use of the international financial institutions as non–military and inexpensive levers on countries that are engaging in these transgressions I mentioned before. It has not really been looked at very carefully.

We were in Washington not too long ago and I spoke to Mr. Fauver, Mr. Clinton's sherpa for the G–7 summit. I asked him if we could use the international financial institutions to exert pressure on countries or groups who were trying to stimulate a conflict by trying to pit one person against the other. He said it could be done but that it was difficult. I think this might be an inexpensive but effective and eloquent way of trying to defuse conflicts before they occur.

Something that could be done is not renegotiating the loans of countries. They need money to fight a war; if they do not have the money then they cannot fight a war. We can decrease non–humanitarian aid to countries that are engaging in this behaviour. The removal of preferential trade status is another example of what can be done. These countries should be penalized and brought to task. The international community should let these countries or groups know that their behaviour is completely unacceptable for this to occur.

We can then go ahead and do the traditional form of diplomatic initiatives. Something the government has put forth, which I think is a very good move, is the construction of a rapid deployment force. We are not talking about a standing army but rather a force that would be comprised of individual countries that would contribute arms, equipment, or people to go in on short notice to areas of conflict in order to dampen down a conflict or prevent a conflict from happening. This might be another issue that could be brought up at the G–7 summit in Halifax. We are not talking about an army that would stay at one place at one time; they would stay in their countries of origin.

Another useful aspect is that these groups could come together on a periodic basis and train. One of the problems the United Nations has always found is that when they get soldiers and put them into a conflict the left hand does not know what the right hand is doing. They do not know the equipment, they do not know the commanders, and they do now know how things work. This would obviate that, by bringing them together every year or so to go through manoeuvres and the motions so that they will understand how to engage in a conflict such as this.

• (1210)

We also have to combine the increased monitoring capability of the United Nations. In the UN there exists a crisis monitoring group, but to date it has been very ineffective in actually informing the United Nations in a timely fashion about conflicts that are occurring. Much can be done in this area also. We need to incorporate NGOs and groups on the ground to form a network of military intelligence that could feed information in an expeditious fashion to the UN crisis group, who could then process it and give it to the United Nations.

What is the rationale for all of this? People will ask why we are getting involved in the affairs of other countries. The rationale is very clear. Contrary to what has happened in the past when armies were killing each other, most casualties that occur in conflicts these days are not army personnel but are innocent civilians. We saw this in Bosnia and in Rwanda time and time again.

In 1993 there were over 40 million displaced people in the world. The United Nations high commission for refugees recognized this as a great tragedy. Where do these refugees go? They move within their own countries but they also emigrate to other parts of the world. No border is completely intact; borders are in fact porous. What happens half a world away will come back to affect us. The United Nations also estimates that while there are presently 40 million refugees, the number is likely to increase to over 100 million by the year 2000.

When conflicts do occur, we see the massive and widespread destruction of a country. All the aid, development, and hard work of decades are washed away in the course of a month or two of conflict. It will take decades to rebuild that. Furthermore, the seeds of hatred are planted, not only in the people subjected to the war but also in the unborn children, because they will be subjected to the same hatred and prejudices their families were

subjected to. This is a cancer that starts very early and grows. It takes generations to go away, if at all.

Also, within our own country when conflicts erupt we are forced to engage in peacekeeping, peacemaking, defence initiatives, aid and development at a cost of hundreds of millions of dollars a year. Is it not better to put in a few dollars now and save hundreds of millions in the future, rather than wait until everything blows up?

There is no need to discuss the humanitarian aspects of those who are involved in the conflicts because they are evident. For those of you who have seen war situations, as I have, it is not a pretty sight. These individuals want nothing more than to live in peace and harmony but are forced to engage in activities or have heinous crimes meted out to them, which they are powerless to deal with.

One mistake made in foreign policy is in the global community we do not have the backbone to deal with individuals who for their own self–interests are stimulating ethnic hatred. When we negotiate with these people it is important to realize they are not necessarily speaking for their entire populace. They may be only be speaking for a very small number of people. Their motivations should be questioned at every turn.

Few countries in the world have the international recognition and capability to form a system to address the pressures and conflict we will have in the coming new world order. Fortunately, Canada is one of the few that can do this. We must persuade our colleagues in the international community to set up a framework and a system of responses from the international community and identify early on the precursors to conflict. In short, we must do what we can, where we can, and when we can, given the fiscal constraints that are put upon us.

• (1215)

The action we have taken with the conventional weapons ban is truly admirable and is a shining example of what Canada can do. People may not understand that Canada is one of the leaders in putting forth this ban. It is something we as a country ought to be very proud of.

While we have managed to put forth a convention on the ban of mines, I suggest Canada take a leadership role in putting forth a convention on banning the production, stockpiling and sale of land mines and anti–personnel devices because their primary target again is civilian.

Once a conflict is over these land mines and anti–personnel devices stay for decades and I will give some examples. It is also important to realize that these weapons are not meant to kill; many of them are meant purely to maim and they maim children.

Many of the anti–personnel devices are showered from helicopters or planes. They are made of plastic and look like little toys. Children pick them up and get their arms or their legs blown off. I have seen this in Mozambique. Teenagers found these things and had body parts blown off. Believe me, it is not fun to spend four hours in a hospital operating room debriding somebody's leg after taking off the other leg.

Worldwide there are over 100 million land mines that have been set. It not only affects what we know about Cambodia but in Afghanistan 400,000 people have been wounded. The UN is now engaging in activities to remove land mines. About 85 hectares a year are done. It will take 4,300 years to clear Afghanistan of mines.

In Croatia over 330,000 hectares are completely uninhabitable and totally useless for industry. It costs Croatia over $230 million a year purely because the area is seeded with land mines.

Chechnya is another example where hundreds of thousands of land mines were sown in a very short period of time. Many areas of Chechnya will not be able to become economically self–sufficient for a long time because of that. When the civilian population tries to plant their fields or go to work, they will continue to be subjected to periodic incidents of having their limbs blown off or of being maimed.

Many of the land mines are plastic, some are metal and many are invisible. They cost between $3 and $30 to manufacture and up to $1000 to get rid of. Every year there are two million land mines seeded and about 85,000 being removed.

There is a land mine called the black widow or the PMW, a 10 centimetre plastic mine with 240 grams of TNT that can rip off a leg at the hip. There are about 20 million of these land mines deployed all over the world. China and the former Soviet Union make them.

There is the Valmara 69, also known as the bouncing betty. This one leaps up one metre and explodes, showering metal fragments for 20 metres. It is made in Italy. It is shocking to see the countries that actually make these, from the United States to many countries in Europe to China and the former Soviet Union.

This is something we need to address and Canada can take a leadership role in this. There is no military use whatsoever for this weapon which again is primarily used to maim civilians. Usually those who are maimed the most are the children and the men and women who work in the fields. We must take a leadership role on this as we have done on chemical weapons.

While we have had the convention on chemical weapons, we also need to consider the aspect of conventional non–nuclear weapons. The proliferation of non–nuclear conventional weapons, particularly small arms, is something that is having a huge destabilizing effect on the world stage.

When I worked on the Mozambique border there were hundreds of thousands of AK–47 assault rifles pouring into South Africa from Mozambique. An AK–47 can be bought for $5 to $20. When you have an AK–47, you have a lot of power. These people are desperately poor. They have no food and are starving and all they can do is sell these weapons. These weapons are ubiquitous in the developing world and there is a huge destabilizing force in that. It also enables people to engage in violent criminal acts which also impedes a country's ability to get on its feet economically.

• (1220)

Whether we are looking at west Africa, southern Africa or east Asia, crime is one of the largest problems confronting the developing world. It is something we need to address.

The G–7 summit is coming up. Over 90 per cent of conventional weapons are made by G–7 nations. It is hypocritical for us to say we are helping countries on the one hand with our aid and development, but on the other hand we are selling them the arms either through private dealers or by government to government sale. We are cutting off our nose to spite our face because in the long run conflicts brew. These are not things to be taken in isolation. They are to be taken collectively in the name of collective security.

Bill C–87 shows that Canada can, as it has in the past, show leadership in foreign policy. One person not so long ago in the celebrations of V–E Day said a poignant and kind thing about the people of this country: "If the Canadian people could look at Canadians the way the people in Holland look at Canadians, then indeed they would learn a lot and indeed they would be proud".

I ask the government to remember that. I ask the Canadian people to remember that in the hope that we can use that esteem and respect we have on the international stage to become more aggressive in addressing these threats to international security, not only for the people who are involved, but also for the people in this country.

Although we may be far away from areas of conflict and think we are immune to it, we are not. People will leave areas of conflict, the have not areas to areas that have. Canada is a have country. It will put stresses on this country that we are not prepared to deal with. It will cost us money that we do not have. Above all else, we should do it for humanitarian reasons. Although we may be different peoples, we are in fact one people on one earth.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, it is a pleasure to speak to Bill C–87, an act to implement the chemical weapons convention. It is appropriate at this time to remind the House and all Canadians that Canada has much at stake in this piece of legislation. It touches the very heart of our military history.

I remind the House that on August 15, 1915 Canadian soldiers were the first soldiers to be subjected to a systematic gas attack. Inexperienced Canadian troops occupied the trenches at Ypres in Belgium. At that point in the war there had been a stalemate on the western front. It was very difficult for either side to move forward using conventional weapons.

On that day the Germans released chlorine gas from their trenches. The Canadians held the line immediately in front and on their right were French colonial troops. What the Canadians saw first on that early morning was a white cloud advancing slowly toward them. They were filled with curiosity, wondering what it was. It was like a low lying mist. As it approached and reached their trenches they were suddenly seized at the throat. When they breathed they breathed fire and they fell gasping to the ground and into the trenches, writhing and suffering.

The Canadian troops very quickly realized it was poison gas. The French colonial troops on their right broke and ran in a panic, but the Canadian troops, those who survived, climbed out of the trenches and lay on the parapets while the gas passed. Actually, it is a great moment in the annals of Canadian military history. Even though many of those young Canadian troops died, they held the line and resisted the gas attack.

• (1225)

After that first attack, gas became very popular on the western front. The French discovered it was chlorine and responded with their own gas. Then there was an arms race of various types of noxious substances. They went to phosgene gas, hydrogen cyanide and other variations.

One of the most effective gases that was discovered during the first world war came to be known as mustard gas. This gas has been used in very recent times such as on the Kurds in the Iran–Iraq war. When the vapour touches the skin it immediately causes huge blisters. It also causes blindness. When it is breathed in, it blisters the lung and causes death.

As the war progressed it became very common to hear the sound of artillery firing gas shells. Instead of the explosion afterward, there was a popping and hissing noise. Along the western front because both the German troops and our allies were using gas, troops on all sides had rattles. When they heard the gas attack, they spun the rattles.

I would like to read a few lines from a famous poem by British poet Wilfred Owen called "Dulce et Decorum Est". He captures what it was like during these gas attacks in the first world war. He begins:

> Gas! Gas! Quick, boys! An ecstasy of fumbling,
> Fitting the clumsy helmets just in time;
> But someone still was yelling out and stumbling
> And flound'ring like a man in fire or lime—.
> Dim, through the misty panes and thick green light,
> As under a green sea, I saw him drowning.
> In all my dreams, before my helpless sight,
> He plunges at me, guttering, choking, drowning.

It was that kind of horrific experience which captured the imaginations of all nations during the war and after its conclusion.

One of the results was the 1925 Geneva protocol which outlawed the use of gas. It was a recognition by states worldwide that the use of this weapon actually took the very minimum essence of humanity out of warfare. It reduced warfare to a matter of exterminating the enemy like vermin. This was felt to be, and we still feel it today, unacceptable behaviour on the part of people who would be regarded as human beings.

Therefore the Geneva protocol in 1925 was passed. Like the current chemical warfares convention, it was not ratified by all nations. In fact the United States did not ratify it until 1970. It had an impact. That impact was to give all nations of the world the sense that chemical weapons were an illegal weapon, a weapon that was wrong to use.

Nevertheless by the time we got into the late 1930s, it became very clear that chemical weapons were going to be used again. When the Italians occupied Abyssinia, the former Ethiopia, they attempted to colonize it by conquest. They used poison gas on the helpless civilians as a way of experimenting with chemical weapons in the event of another world war. That had an immediate impact in Canada.

It was at about that time a former chief of staff, General Andrew McNaughton, became the head of the National Research Council, that lovely stone building at 100 Sussex Drive. He felt that as a result of what the Italians were doing there was a good chance that gas would be used again in any outbreak of hostilities.

He initiated research in Canada on protection against the use of gas. We started with the development of gas masks and charcoal containers. That work went forward at the National Research Council.

• (1230)

Then when the war broke out in 1939 we stepped up our activities and research on poison gas, particularly defensive research which is a very Canadian thing to do.

In 1940 with the fall of France, Britain was suddenly desperate. When France collapsed Canadian troops were the only troops who still had their equipment. The British immediately mobilized all their available gas weapons with the expectation of soaking the Germans with gas should they invade. The weapon the British had at the time was principally mustard gas contained in collapsible drums. It was very primitive. They expected to fly over the beaches if the Germans invaded and dump this out of the aircraft and hope it would injure enough troops to deter the attack. The attack did not come, however.

The initiative to develop gas weapons went forward very rapidly. The British were very concerned the Germans were developing the weapons and felt they should as well. Britain is a small country and so the United Kingdom turned to Canada for assistance in the development of poison gas weapons. This led to the opening of the proving grounds at Suffield, very large proving grounds near Medicine Hat, where Canada undertook experiments with various types of poison gas. Canada expanded from mustard gas into research developing out toxins such as ricin. During World War II thousands and thousands of animals were killed at Suffield during tests on various types of poison gas.

One direction of the research was to find a poison gas that was heavy. During the second world war many of the poison gasses were too light and consequently would rise and dissipate. The direction of the research was to find a gas that was very heavy and would flow along the ground and flow into the trenches and would be very deadly.

The United States also accelerated its production of poison gas. Even before the war with Japan, before the end of World War II, the Americans were conscious that gas could be a factor. In typical American style they concentrated on mass production. By about 1942 the Americans had tens of thousands of tonnes of liquid mustard gas and other types of gas and had developed bomb casings to deliver these.

The Canadians tended to specialize in actual research. We did experiments on humans. It was felt that one had to be sure the gas was effective. Many Canadian soldiers volunteered to be subjects for tests of poison gas. Sometimes these tests were very elaborate and I am sorry to say there were injuries to Canadian troops from the poison gas tests at Suffield.

At McGill University Canadians made the biggest breakthrough among the allies in developing poison gas. A team at McGill discovered a nerve gas. It had been doing research on pesticides and made a connection with between pesticides which had caused accidental deaths and developed a nerve gas.

The scientists in Britain and the United States rejected the Canadian development and it never proceeded to production. It is ironic because the Germans were developing gas weapons of their own. They had made a major breakthrough by developing several types of nerve gas, sarin and tabun, which were many times more toxic than the traditional gasses used in the first world war, the mustard gasses. Hitler had an enormous stockpile of these weapons.

• (1235)

Hitler was influenced by the 1925 Geneva protocol. Although he was essentially a mad man in charge of a country who led to hundreds of millions of injuries and deaths across the continent, for some reason he was affected by the 1925 Geneva protocol and did not order the use of gas. Research in German archives discloses that Hitler was very much opposed to the use of gas. That probably has racial overtones. He probably thought it was improper to use it on the British and that kind of thing. We cannot get into Hitler's mind but the Geneva protocol did prevent this dictator from resorting to this ghastly weapon.

The irony is that on the Allied side there was a desire to use the weapons; Winston Churchill wanted to use poison gas on the Germans. Even as we approached Normandy Churchill was very conscious of the fact there would be casualties and he pressed his chiefs of staff to do a study to determine whether it would be effective to use poison gas during the invasion of Normandy.

I will quote from a document of the time. It was written by Churchill to his chiefs of staff on July 6, 1944:

> I want you to think very seriously over this question of using poison gas. I would not use it unless it be shown that (a) it was life or death for us, or (b) that it would shorten the war by a year. It is absurd to consider morality on this topic when everybody used it in the last war without a word of complaint from the moralists or the church. On the other hand, the bombing of open cities was regarded as forbidden. Now everyone does that as a matter of course. This is simply a question of fashion, changing as she does between long and short skirts for women. I want a cold blooded calculation made as to how it would pay us to use poison gas, by which I mean principally mustard.

The chiefs of staff circumvented Churchill and made sure no order was ever put forward. Churchill's desire was never implemented. They deliberately out foxed the old fox himself. At that time the Germans had enormous stockpiles of nerve gas and if the British had used mustard gas there would have been an incredible retaliation on London and the British would have lost more civilians than the Germans.

Again we return to the 1925 Geneva protocol by which the British chiefs of staff recognized how inappropriate, how wrong and how against civilization it would have been to use poison gas even when the head of state was pressing for its use.

The Americans had an enormous stockpile of mustard gas. They had tens of thousands of tonnes of mustard gas. In 1943 when they attacked the Island of Tarawa in the Pacific, the Japanese resisted so fiercely the Americans marines lost 3,000 and 1,000 were wounded, as against about 4,000 Japanese killed. The lesson the Americans took from that was it was to be very costly to fight the Japanese in an island hopping war.

Therefore the American chemical warfare service proposed to secretly use poison gas to suppress the islands in Japan. However, the Americans felt they needed the concurrence of their allies. They approached Canada, which by that time was in a state of co–operation with the Americans in the development of these terrible weapons. They approached Canadian scientists at the National Research Council and in the military and asked them to do a report confirming that poison gas would be an effective way to suppress the Japanese islands.

What happened is very interesting. There was no doubt mustard gas, at no cost in American casualties, would have suppressed the garrisons on any island in the Pacific. Mustard gas is more effective in the tropics than in temperate climates.

• (1240)

The Canadian scientists, when they were asked for this report, fudged the figures. They put out a false report which actually claimed chemical weapons used in the Pacific theatre would not be any more effective than high explosive weapons. A chemical warfare service was knocked back a step in that it was trying to get the approval of the chiefs of staff and President Roosevelt to use gas. It lost the argument when the Canadians refused to get onside. That is another reason Canadians have a special place in the debate about chemical weapons. During the second world war we very positively prevented the use of those weapons by the Americans.

What is driving this sense of morality is the 1925 Geneva protocol. This brings me to the current chemical weapons convention. This convention is an enormous improvement over the 1925 protocol. It contains various sanctions and rules. No law passed by the United Nations can actually prevent the use of this terrible technology.

The chemical weapons convention is symbolic. It tells countries that if they use these weapons they are renegades and no longer part of civilized humanity. It causes nations to pause when they might be contemplating this action. It gives moral limitations to how nations will react to one another.

This type of moral sanction is vital in this age, when we move into the next century and when we do have wars in which terrible phrases like ethnic cleansing are used. The chemical warfare convention will not prevent terrorists like those in Japan from mixing their own chemical weapons and using them, but it will forever outlaw that type of behaviour and make sure at the very least the use of chemical weapons is not something resorted to by civilized states.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the hon. member for Hamilton—Wentworth for his contribution. I know he gave up part of his life to do in depth research into this whole field.

How did he obtain such detailed information from the U.S., Great Britain and Canada? Is that information wide open now or is some of this information still under wraps? Do we need to do further research?

I am very concerned about the stockpiles of mustard gas in 1943 which the hon. member mentioned. What happened to those stockpiles? How did countries get rid of these stockpiles?

There may be a lot of work to be done yet but at least this bill will go a long way in preventing horror stories in the future.

Mr. Bryden: Mr. Speaker, I thank my colleague for his question.

Most of the documentation I used for my studies on the subject came from the archives here in Canada but only by chance. The majority of the original documents had been deliberately destroyed around 1970 or thereabouts by persons unknown. I was fortunate, however, to find microfilm taken of these documents and hidden away in a dusty corner of the archives by a civil servant we will never know. That led me to do the study.

Unfortunately even the documents I had were incomplete and consequently I could not determine for sure whether in the post–war period Canada did dispose of its considerable stockpiles of chemical weapons. We had a mustard gas plant at Cornwall, Ontario, which at the end of the war had 2,800 tonnes of mustard gas. Most of it was dumped at sea, which raises some very serious environmental questions.

• (1245)

A few years ago the Department of National Defence made a concerted effort to get rid of any stockpiles we had. I am confident we no longer have them in Canada.

One of the problems is verifying what countries have in terms of their compliance with legislation. With a chemical warfare convention such as this one we rely very heavily on the sincerity and the good motivation of countries. There are ways of hiding these things. That was why I was saying in my remarks that the symbolic part of the chemical warfare convention is just as important as its actual practical measures.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, I am eager to participate in today's debate on Bill C–87, an act to implement the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

Today, when they look at the world around them, people in Quebec and Canada are concerned. We are concerned because we do not know what awaits us in the future. We are worried about the nuclear weapons that are still around, about the biological and chemical weapons scattered throughout the world.

By passing this bill, the Canadian government will be among the first 65 countries to ratify the convention on chemical weapons out of the roughly 135—there are perhaps 132 at this time—nations that have signed it. The convention will take effect 180 days after the 65th state to ratify this agreement tables it. Along with my party, the Bloc Quebecois, I wholeheartedly support this convention on chemical weapons, which follows the debate on arms control and disarmament.

The convention on chemical weapons is the result of more than 20 years of negotiations at the conference on disarmament and the forums that preceded it.

For the first time, we have an instrument that really resulted from an actual multilateral negotiation process. The signing parties undertake to refrain from various activities in relation to chemical weapons, to co–operate in a number of ways so as to facilitate the implementation of the convention and to ensure that persons also refrain from those activities and provide the necessary co–operation.

Since the Second World War, the issue of the arms race has come up every time the prospects for enduring peace or the possibility of war is discussed. Most observers felt that the arms race was intrinsically dangerous and ultimately destabilizing. Western countries thus found themselves facing a paradox: on the one hand, they believed that force deters aggression; on the other hand, they were convinced that the arms race alone could provoke a global war.

The latter shook up our certainty that deterrence is the best form of insurance against potential aggression. We could not avoid the disturbing realization that the very measures taken to ensure our security could bring about our downfall and lead to a global conflict.

• (1250)

The debate on arms control is largely based on the preconceived notion that any arms race is, by definition, a chain reaction which tends to trigger an escalation of the conflict. The responses of warring states to the stockpiling of conventional, nuclear, chemical and bacteriological weapons, as well as the attempts made by each side to gain the upper hand lead to destabilization and greater international tension.

It is claimed that, if there is another world war, it will be by accident, in the sense that it will result from a climate of suspicion and crucial errors of judgment made regarding a regional conflict. This is why it is essential, for international stability, to control the arms race.

However, military experts contend that arms control merely regulates the arms race, instead of limiting it. Many issues remain very timely, even though the cold war is over and these issues are no longer related to an east versus west situation. There is a new phenomenon on the international scene: regional

armed conflicts resulting from the emergence of new nations and the fact that others are trying to increase their influence.

Since most of the objectives of the superpowers' traditional arms control program have now been reached, the international community is turning its attention to measures designed to prevent a wider proliferation of nuclear, bacteriological and chemical weapons. That goal is now part of an effort to face today's geopolitical realities. Indeed, the time has come to carefully reassess existing monitoring mechanisms.

Following a resolution passed by the UN general assembly in December 1993, it was announced, in March of this year, that the delegates at the conference on disarmament had reached a consensus on a proposal to set up a special committee to negotiate a reduction of fissionable material production for nuclear arms. Conference delegates also discussed, among numerous other issues, chemical weapons, in the hope of developing a convention on such weapons.

That was not an easy task, since the participants did not agree on the monitoring procedures. The 1990 U.S.–Soviet bilateral agreements on the sharing of information and the destruction of weapon stockpiles helped further multilateral talks on this issue. In June 1992, the conference on disarmament submitted a draft treaty to prohibit the development, production and stockpiling of chemical weapons. Monitoring activities were delegated to an international organization responsible for the prohibition of chemical weapons, based in the Netherlands.

The long–awaited treaty on chemical weapons was finally signed in Paris, on January 13, 1993. The signature and the coming into effect of that agreement is undoubtedly an historical event. As I see it, this instrument is important for three major reasons. First of all, it represents a real step forward for international security. Second, it is truly universal in scope, since it reflects a number of fundamental balances. Finally, we should also consider what the situation would be like if it did not exist. The convention is the first multinational disarmament agreement that prohibits an entire class of weapons of mass destruction.

• (1255)

It prohibits producing and also acquiring, stockpiling, transferring, using or engaging in military preparations to use a chemical weapon or assisting anyone to engage in any activities prohibited by the convention. The prohibition on chemicals covers chemical products as such, their vectors and any equipment designed for the use of chemical weapons.

Furthermore, any state party to this convention would be obliged to destroy all chemical weapons within its territory, those it abandoned outside that territory and facilities for the production of chemical weapons. This is very important. It means this is a truly comprehensive prohibition that affects all chemical weapons in the world.

The convention constitutes an effective deterrent to developing clandestine chemical weapons production systems because of its unique inspection system. By setting a common standard and giving the international community the means to enforce its application, the convention provides the impetus for joint action to eradicate weapons of massive destruction.

Furthermore, all countries that have chemical weapons will have to destroy these, with their facilities for the production of chemical weapons, within ten years. Consideration was also given to the technical and financial problems that may arise when a country must destroy its arsenal of chemical weapons.

The convention provides for certain adjustments, including an extension of the ten–year deadline, which would, however, involve stricter monitoring procedures, tantamount to being under the supervision of the international community. The same applies to exceptional cases where facilities for the manufacture of chemical weapons are converted to civilian use.

In the case of chemical weapons abandoned by one state within the territory of another state, the convention obliges each state to destroy the chemical weapons within its territory while at the same time assigning responsibility for destruction to the state that abandoned weapons within the territory of another state.

State parties to this agreement are responsible for meeting their commitments at the national level, but how they meet those commitments is monitored by the international organization. This applies to the destruction of weapons and the facilities to manufacture them.

If the convention had not been adopted, this would have been a signal to those responsible for the proliferation of these weapons to continue the production. The security of all countries would have been at risk, especially countries in the southern hemisphere. The result would have been to reinforce unilateral non–proliferation policies which would have increased barriers to trade and technology transfers while in addition penalizing developing countries that respect their commitments.

The chemical weapons convention serves the interests of all signatory countries and all countries that will sign in the future. Contrary to what was said in some quarters, it is not designed to serve the sole interests of industrialized countries. On the contrary, it is developing countries that will benefit from the convention. Indeed, in the past few years, unfortunately, it has been the developing countries which have used chemical weapons in their conflicts, while industrialized countries have found them of no interest strategically or as a deterrent.

And understandably, come whatever may, industrialized countries will always be better equipped to detect and to protect

against chemical weapons than most developing countries, which do not have ready access to such equipment. We have only to think of what went on in Japan.

• (1300)

Japan is, nonetheless, better equipped to deal with such situations while the same would be more difficult for third world countries, where there would probably be more deaths. In fact, it is the industrialized countries which will take on the better part of the task of industry monitoring by virtue of the fact that their chemical industries are more highly developed.

However because of the extension of the definition of industries considered capable of producing chemical weapons, all countries will be affected by monitoring in one way or another.

Likewise, it is only natural that countries which are willing to be monitored and which respect the commitments made under the convention will feel that the current restrictions imposed under the current non–proliferation agreements are eased up.

It is worth noting that the cost of destroying a chemical weapons factory is ten times that of building it.

Having said this, you will understand our concern with the financial burden that the obligation to destroy chemical weapons will place on certain states lacking the necessary financial means to do so.

The convention's provision that some factories may be temporarily converted into disposal facilities when this is possible and cost–effective, so that they can be considered converted, will not relieve such countries of this problem.

I would like to add in closing that the convention is an historical first, which the conference on disarmament can add to its list of accomplishments.

This convention proves that, when the conditions are favourable, the conference does have the required competence and skill to draft agreements which are as politically sensitive as they are technically complex, and which contribute to the well–being of our respective populations.

The question arises as to the role the Government of Canada intends to play in encouraging its partners to ratify the chemical weapons convention as quickly as possible.

To my mind, Canada must play a strong leadership role in this regard. To date, we have seen no hint of such an intention. If the government wants to act consistently, it should announce a series of initiatives in this regard in the coming weeks. After all, only 28 countries have ratified the convention up to now.

I should perhaps point out that neither the United States nor Russia has signed yet. We realize that it will cost Russia significantly to comply with the convention.

What will the federal government do to help Russia get rid of its chemical weapons stockpiles? In my opinion, Canada should take a creative approach. For example, should the federal government not consider providing technical assistance to Russia, as it has in the past? It could, for example, set up a task force of technical experts.

We know very well that there are competent people in Quebec and in the rest of Canada to do this type of work, whose main thrust would be the evaluation of how Russia, for example, could destroy its manufacturing facilities and its chemical weapons at minimal cost.

Clearly, signatures and ratification mean little. Accordingly, in addition to de facto intentions, the federal government must ensure the organization has the intention and the resources to make the monitoring system a reality.

As you know, both Russia and the United States must participate in this convention, if it is to fulfil its role, since they have the biggest stockpiles of chemical weapons. As I said earlier, neither has yet signed.

We in the Bloc Quebecois believe that our support for this bill will mean that Quebec and Canada will be able to quickly carve a choice niche within the various institutions of this new international organization.

• (1305)

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, it gives me a great deal of pleasure to be able to speak today to Bill C–87, an act to implement the convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction.

Questions on chemical and biological weapons were first placed on the United Nations agenda in 1969. On September 3, 1992 the conference on disarmament reached a significant milestone in its negotiations with the completion of the draft text of the convention on the prohibition of the development, production, stockpiling and use of chemical weapons for presentation to the United Nations.

After more than 20 years of long, often difficult discussions on negotiations at the conference on disarmament and its predecessors in Geneva, the triumph was an agreement finally arrived at as a result of genuine, multilateral negotiations.

Approval by the United Nations general assembly paved the way to the signing ceremony in Paris in January 1993. Canada, a strong advocate of multilateral efforts, can take pride in being

one of the 160 signatories of the chemical weapons convention. The convention completely outlaws an entire category of existing weapons of mass and indiscriminate effect and provides for a system of multilateral verification, thus setting a new precedent at the global level.

As one of the 65 nations that has promised to ratify the treaty and bring it into force, Bill C–87 is our commitment to implement this convention. Impetus causing responsible nations to move toward this agreement was provided by the gulf war which provided a heightened awareness of the dangers of proliferation.

The international community learned important lessons in the disarmament of Iraq involving the destruction, removal or rendering harmless of chemical, biological and nuclear weapons. This poignant lesson played an important part in convincing the international community that it was imperative for nations to put aside differences and to work together to outlaw these terrible weapons of human destruction.

When I was a military officer in Germany, I was required for several days every month to live and operate in a chemical suit with a gas mask close by hand. This was a very traumatic and very deeply held experience because while we, the military people on the base, had our chemical suits and our gas masks, we were fully aware that our dependants did not. Should there be an attack, and we were aware that the former Soviet Union regularly used this type of weapon in their exercises, our dependants would be very vulnerable.

There was an evacuation plan but this was a tremendous undertaking and would take a tremendous amount of time. Thus, we were very much aware of the risk that they were under. As a result, I feel as strongly as anyone can feel that we must do our utmost to rid the world of chemical weapons.

Since they have the greatest number of chemical industries, the willingness of the United States and Germany to co–operate was vital. Germany ratified the agreement in August last year. The United States, with the second largest chemical stockpile in the world, is expected to ratify the treaty this year. This will hopefully send out a hurry up message to other countries that have pledged their support.

We too must move without delay to implement Bill C–87, thus signifying our commitment to ratify the treaty. In this spirit, I support this legislation.

During the January 1994 joint summit meeting in Moscow, Presidents Yeltsin and Clinton declared their intention to promote ratification of the treaty as rapidly as possible, thus enabling the convention's entry into force this year.

However, the real work lies ahead. Costs of implementation will be high. As a rule of thumb, it costs 10 times as much to destroy chemical weapon production facilities as it does to build them in the first place. With each country bearing individual responsibility for the destruction of their chemical weapons, undoubtedly there will be financial problems for some members, particularly emerging countries and Russia. Both financial and technical assistance to those countries seeking to destroy their chemical weapons must be provided by member states and this will include Canada.

• (1310)

A universal system of verification to monitor and ensure the destruction of stockpiles will be carried out by the Organization for the prohibition of chemical weapons, OPCW. The scope of its activities is complex and its mandate is to verify: first, the destruction of chemical weapons; second, the destruction of chemical weapons production facilities; third, to verify non–compliance, ensuring that activities prohibited under the convention are detected and traced; fourth, to verify permitted production in the chemical industry, to ensure that only activities not prohibited under the convention are carried out; and fifth, to perform investigations concerning non–compliance, that is, challenge inspections, to ensure that the cost of cheating will outweigh its benefits.

Estimates indicate that the organization for the prohibition of chemical weapons will have up to 1,000 staff and will operate with an annual budget of $150 million to $180 million. Who will pay for this? International inspection expenses will be met by Canada and other members, according to a United Nations scale of assessment, in addition to the cost of eliminating our own chemical weapons and facilities.

For emerging member countries, the price of compliance will have to be added to the chemicals they export. That will make them less competitive.

There are other problems, as noted in the book *An End to Chemical and Biological Weapons?* by Richard Latter. It states:

> It is unclear whether major countries, for example the United States and Russia, will be prepared to fund the CWC sufficiently, given their other commitments—The U.S., which calculates that incinerating its 30,000 ton stockpile would cost $6 to 7 billion, have also agreed to foot part of the bill for destroying the 40,000 tons of Russian weapons stock. Even so, the problems of getting a destruction program under way means Russia will almost certainly have to invoke treaty provisions allowing an extra five years to complete the task.

No doubt Canada will be asked to shoulder some of this burden but the overall costs are still largely unclear.

In Canada, information from a 1988 survey indicates our chemical industry does not use prohibited chemicals listed in schedule 1, which includes the toxins sarin and soman, used in the war between Iran and Iraq, and the various mustard gases used during the first and second world wars. Some of the chemicals on the list are used by a few research organizations.

Once Bill C–87 becomes law, such users will be required to obtain a licence and be subject to two inspections per year to ensure they are following the rules.

Chemicals listed in schedule 2A and 2B may not be used to any great extent in Canada, but this has yet to be determined. Schedule 2 chemicals are used for commercial purposes and if production exceeds the listed thresholds, two yearly inspections will be required.

All substances noted on these lists will be banned for export to countries that do not participate in the chemical weapons convention.

The more commonly used industrial chemicals noted in schedule 3 can be produced without inspection under the 30 ton threshold. However, amounts exceeding 230 tons will be subject to random inspections.

Without complete data, the number of companies affected and the precise cost for implementation of the new law remains unknown. Unquestionably the disposal of chemical weapons, facilities and international verification costs to be paid by individual member countries will be expensive.

In this time of financial constraints the government must avoid creating a cumbersome bureaucracy and rather should establish a slim, trim and effective agency to inspect and monitor the chemical industry. Assumptions are that five full time staff will be required for Canada's national authority, plus one staff within the foreign affairs department.

Using Australia as an example, the bureau of statistics gathered data on chemical production relevant to the chemical weapons convention which assisted in the determination of resources required for its national authority.

• (1315)

The Australian chemical weapons convention office, the chemical weapons control organization, as it is called, will be closely associated with its safeguards office, also responsible for the nuclear non–proliferation treaty. The director of the Australian safeguards office, who is directly responsible to the foreign minister, will also be the director of the new chemical weapons convention office. This allows for effective use of available senior executive and administrative support resources. There will be a director, two full time staff with part time support drawn as required from experts in other areas of government or at times from the private sector. Hopefully our government will examine the Australian model for its efficiency and application in Canada.

Although there is no binding legislation giving government authority to demand information, the Department of Foreign Affairs has attempted to collect data by initiating a survey of 2,100 Canadian businesses. About 500 companies have responded to the voluntary questionnaire. There is still no clear indication as to how many companies will be affected by the legislation. Until government has these data it will be difficult to establish projected costs for our clean–up, verification and inspection.

Bill C–87 closely adheres to the requirements of the chemical weapons convention and has the support of the Canadian Chemical Producers Association as well as the Canadian Pharmaceuticals Manufacturers Association. Officials of the Department of Foreign Affairs deserve credit for taking industry concerns into consideration during consultations over the past eight years.

Without Canada's participation in the treaty and industry support we would have difficulty competing in the international marketplace. Canadian industry imports chemicals for the production of many commercial applications and under the convention chemicals identified for control will be banned or restricted for non–participating countries. Care must be taken to ensure regulatory costs do not become so prohibitive that they force smaller industries out of business.

Additionally we should not impede industry by increasing red tape and creating a complex decision making hierarchy. Undoubtedly industry will be required to make detailed declarations of production and be subject to stringent inspections within Canada. These extra costs will have to be borne by industry as well as the Canadian taxpayer.

The international secretariat based in The Hague will police international compliance. This area was the most controversial in achieving a consensus. The general guidelines state the inspection teams are to be granted unimpeded access rights. They will verify destruction programs, inspect all military facilities and civilian plants producing chemicals which could be used for armaments in addition to carrying out routine monitoring and random checks on other civilian chemical installations.

Bill C–87, section 13(1)(c) dealing with international inspection states: "Where appropriate, install, use and maintain in respect of any place monitoring instruments, systems and seals in a manner consistent with the provisions of the convention and any facility agreement applicable to the place".

It would seem appropriate or necessary to institute some protection to ensure this authority for international inspections is not abused.

Section 14(1)(b) states: "Permit the international inspector to examine anything in the place being inspected". Section 14(1)(c) states: "Permit the international inspector to make copies of any information contained in the records, files, papers or electronic information systems kept or used in relation to the place being inspected and to remove copies from the place".

Further clarification and expansion would seem to be in order. Commercial espionage is a recognized reality and industry understandably fears the disclosure of valuable commercial information to competitors. Every effort must be made to ensure our national security is not put at risk. Some form of checks and balances should be put in place as under the current legislation it appears Canada would not have the right to restrict inspection teams. Reasonable management procedures should be identified and implemented so that national security is not jeopardized.

Effective implementation of the treaty's provisions will pay off in long term world security dividends. It is important these national protection issues be addressed now.

We stand at a pivotal juncture on the world stage. We can succeed or we can fail in this effort to lower the risk of inadvertent or impulsive use of chemical weapons.

• (1320)

Our success in this instance will reap great benefits and assist by setting the example in the larger task of implementing co–operative approaches to problems in other areas, regionally or globally.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, it is my pleasure today to speak at second reading on Bill C–87 concerning the prohibition of chemical weapons.

The Reform Party supports the chemical weapons convention which Canada signed in 1993. We will also support this legislation allowing us to be among the first groups of countries to implement the convention's terms of agreement.

As all members of the House are well aware, Canada has been a world leader when it comes to the promotion of peace. We have given steadfast support to the UN, provided peacekeepers in times of need and promoted international agreements and regimes to limit the dangers of war.

In the case of the chemical weapons convention we are dealing with a particularly important issue. Not only is the use of chemical weapons highly illegitimate against combatants who at least have some protection against them, but the threat of their use against civilian populations is an intolerable breach of civilized conduct by any nation.

Most of us will remember with horror the terrible scenes of the Kurdish villages gassed by the Iraqi dictator Saddam Hussein in the late 1980s. This is the kind of tragedy that must be avoided at all costs in the future. By ratifying Bill C–87 Canada will be doing its part toward this end.

In the news today we see the arrest of the person in Japan allegedly responsible for the gas attack in the subway station in Japan. I hope Bill C–87 would go a long way to ensure that type of terrorist activity is never allowed on any part of the planet.

Bill C–87 prohibits the production or use of chemical weapons and provides for the regulation of certain chemicals that can readily be turned into chemical weapons. As we speak, similar pieces of legislation are being prepared throughout the world. Hopefully by this fall the convention will come into force. As things now stand, a large majority of countries have signed on, which is quite promising. The fewer countries outside of this convention, the more pressure there will be to adhere strictly to its goals and provisions.

Unfortunately several middle eastern countries are refusing to join the convention. They argue that because Israel is not willing to join the nuclear non–proliferation treaty, they cannot sign on. While I hope they will reconsider, I also hope the Government of Israel will bring its nuclear program out of the closet and join the nuclear non–proliferation treaty. The chemical weapons convention and the NNPT are agreements in the best interest of the people and governments of the world. Therefore they should not be used for tactical advantage by any government.

Moving on to the substance of the bill, while the Reform Party supports the bill, we are looking at it closely to see if there are constructive amendments that should be made to it during debate and in committee. High on the list for Reform are the costs to the taxpayer and to Canadian industry. While we acknowledge the bill has some legitimate costs, according to our preliminary investigation the government does not yet know the price tag on Bill C–87.

As Bill C–87 works its way through the legislative process, we should try to determine how best to improve it so implementation will be as cost effective as possible. For example, we must avoid the creation of a huge new bureaucracy to monitor and regulate the Canadian chemical industry.

Officials at foreign affairs have advised us that a full time staff of five as a national authority plus one additional staffer at foreign affairs might be needed. We should make sure it does not go beyond this. At any rate, during committee the question should be carefully addressed.

• (1325)

Another key question for the committee will be the inspection powers used to monitor the industry. As we have seen in another government bill, Bill C–68 on gun control, the government can be very heavy handed and intrusive if it is left to its own devices. Reform wants to make sure this case is not repeated on Bill C–87.

More important, Reform has some serious concerns about the privacy of businesses which will fall under the auspices of Bill

C–87. Industries subject to inspection must fully comply with inspectors or be subject to summary conviction or conviction on indictment. Under the more serious category persons will be subject up to five years in prison and a $500,000 fine.

Considering these serious penalties, business people will be forced to comply even if they feel their legitimate rights to privacy are being violated. Under sections 14(1)(b) and (c) the inspectors can examine anything in the place being inspected and make copies of any information contained in the records, files, papers or electronic information systems kept or used in relation to the place being inspected and to remove the copies from that place.

Although I know the intent of the legislation aims to fulfil the obligations of the convention, I am slightly worried these investigations could be used as a fishing expedition by the government to sift companies through a fine tooth comb.

Parliament should be sure such inspections are required to directly investigate whether companies are breaching the chemical weapons convention. Fishing expeditions should be specifically prohibited.

Under section 15(3) the bill says search warrants would not be required even if an inspector were refused entry to a premises if there are exigent circumstances. Although the justice department likes the wording and argues it is necessary so inspectors can have a freer hand, I am not convinced. As we all know, there are no industries in Canada that currently make chemical weapons or use them. What circumstances would be so pressing that a warrant could not be obtained? If this provision is only to be used in extreme emergencies where inspectors must take immediate action it should state so explicitly. If on the other hand it is intended to be used for the convenience of inspectors it should be removed from the bill.

Section 20 reminds me of the government's gun control bill. It states every person who contravenes any provisions of this act is guilty of an offence and is liable to either an indictable or summary conviction. Once again I realize the government is casting a wide net in order to avoid loopholes. However, this means to me that a business which incorrectly reports its activities or fills out a form incorrectly would be guilty of an offence under the Criminal Code of Canada. If a clerk makes the mistake would that employee be convicted? Would the owner? What about the board of directors? Would it be the clerk's supervisor? Surely this must be cleared up.

While I do not have anything against seriously punishing a company secretly making or selling chemical weapons, I think the bill may be going too far. Just like Bill C–68, we have to target the criminals and those who are willfully breaking the chemical weapons convention, not ordinary Canadians or business people who get caught up in the government's web.

Another section which caught my attention is 23(1), which talks about how the government can at the discretion of the minister in charge dispose of items seized under this act.

• (1330)

As I looked through the act, however, I did not see exactly where the government was given authority to seize property or what the limits were on that seizure. I would certainly want this point clarified in debate and during committee.

As I read through the details of the bill, I eventually came to the three schedules of chemicals that are being regulated. All prohibited chemical weapons are listed in schedule 1. According to my understanding, these chemicals are not used by any industry in Canada. However, there are a few research organizations that do require them. If Bill C–87 passes, these researchers will be required to obtain a licence from the government to continue with their activities. They will also be subject to two inspections per year to ensure that they are following the rules. A fee will be charged for this licence.

I do not have a problem with any of this, subject to the following two conditions. First, my concerns about privacy and the targeting of this legislation should be addressed to ensure that we are not whittling away at legitimate freedoms and liberties of Canadians. Second, the fee charged for this licence should be reasonable. Perhaps a maximum fee could be decided on during the committee stage or it should be made explicit that the fees would be on a cost recovery basis only.

Moving on to the chemicals in schedule 2, these are known as precursors and are one step removed from being chemical weapons. They are used for some commercial processes but not too extensively.

Companies producing or using schedule 2 chemicals in amounts beyond a certain threshold will be required to report this to the government. Beyond a second threshold, those companies will also be subject to an inspection of up to two per year maximum. While there is no licensing for schedule 2 chemicals, certain new chemicals will be added to the Export Permits Act.

In addition, three years after Bill C–87 passes, the export of schedule 2 chemicals will be banned to countries that are not signatories to the convention. Until then, importers in non–signatory countries will be required to produce end use certificates for schedule 2 chemicals.

As for the schedule 3 chemicals, these are more commonly used industrial chemicals. Companies producing schedule 3 chemicals in amounts beyond a certain threshold will be required to report this to the government. Beyond a second threshold those producers may be subject to infrequent random

inspections to ensure compliance with the convention. In addition, facilities that work with discrete organic chemicals must report this to the government.

Export of schedule 3 chemicals to non–signatory countries will require end use certificates, and after five years further measures may be imposed.

Looking at Bill C–87 as a whole, I believe Canadians will support this bill strongly. Canadians have always been strong supporters of multilateral efforts to promote peace and restrict arms proliferation. This is especially true with respect to the prohibition of the use of chemical weapons. By asserting leadership in this area, Canada is standing up for the extension of a rules based multilateral system to defend our interests and promote common norms and values with like minded countries.

In conclusion, Reform will support this bill, and throughout the legislative process we will seek to improve it. These improvements will make its implementation as pain free as possible for industry while still upholding Canada's commitments under the chemical weapons convention.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

• (1335)

The Acting Speaker (Mr. Kilger): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the second time and referred to committee.)

* * *

CANADIAN DAIRY COMMISSION ACT

Hon. Raymond Chan (for Minister of Agriculture and Agri–Food, Lib.) moved that Bill C–86, an act to amend the Canadian Dairy Commission Act, be read the second time and referred to committee.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I rise to speak today in support of Bill C–86, an act to amend the Canadian Dairy Commission Act, and to urge speedy passage of this important bill and the amendments it brings forward to this act.

This government is strongly committed to building our vision of a growing, competitive, market oriented agriculture and agri–food sector. Canada's dairy industry is a key component of that sector. Trade and market development, both here at home and abroad, are crucial to achieving the sustainable growth necessary to allow this vision to materialize for dairy producers, processors, and further processors in the industry.

In recent years value added exports have grown steadily in importance for the dairy sector. I would like to add as well at this time that I commend those in the dairy industry for the approach and the actions they are taking in meeting the challenges that are coming forward, the competition that is there, and the way in which they are able to meet that competition and competitiveness in the export markets with the use of these amendments.

Market realities call for changes in the way dairy stakeholders do their business. It is essential to facilitate industry driven marketing approaches in the new GATT environment. With the passage of the amendments before us in this bill, we will enable the Canadian dairy sector to meet some of these new challenges. These amendments will allow for the maintenance of a successful, effective, and equitable framework for the orderly marketing of milk and other dairy products in Canada and beyond our borders, a framework developed and supported by the industry. I repeat that it has been developed and supported by the industry itself.

Bill C–86, along with this amendment, to the Canadian Dairy Commission Act was given first reading here in this place on April 28. It will provide the necessary federal legislative authority to permit the Canadian Dairy Commission, in close co–operation with the provinces, to implement a national milk pricing system with the pooling of market returns from different classes of milk and use. No cost to government is involved in these amendments.

This new strategy conforms with Canada's trade commitments under NAFTA and the WTO agreements. It will provide a mechanism for the Canadian dairy industry to continue to supply important export and domestic markets for dairy products and products containing dairy ingredients, while at the same time maintaining the equity that is inherent in the current supply management regime.

Under the Canada–U.S. free trade agreement, which has been incorporated into the North American free trade agreement, or NAFTA, as we know it, export subsidies are not permitted on bilateral trade in agricultural products. Also, under the World Trade Organization agreement, which was implemented on January 1, 1995, the definition of export subsidies includes producer–financed export assistance. Therefore, as of August 1, 1995, the current system of using producer levies to finance dairy product exports to the United States will be prohibited. The ability to use levies to finance dairy product exports to other destinations is also gradually being reduced in volume and dollar terms under the WTO agreement.

Currently, through levies, milk producers across Canada share the costs associated with the export of dairy products not required for domestic consumption.

• (1340)

These levies also currently provide the funds that are needed to facilitate the payment of rebates to further processors of products containing dairy ingredients. Such rebates have been

necessary to assist further processors using dairy ingredients to successfully compete in domestic and export markets and to assist exporters of primary dairy products to be competitive on the export market.

The Canadian Dairy Commission administers these export and rebate initiatives on behalf of the dairy industry. These costs have always been considered to be a necessary part of managing the milk marketing system in Canada as a whole. The issue of equity between producers is central to the current milk marketing system in Canada and is preserved in the new pricing and pooling approach that will be enabled by this bill.

Equity is currently maintained through the payment of levies on every hectolitre of milk produced in Canada. Each province's current levy obligation is calculated by the commission on the basis of total fluid and industrial milk production. Levies are collected by provincial marketing boards and agencies through the deductions from producer milk payments and are remitted to the commission.

If Bill C–86 is not implemented by August 1, important dairy exports to the United States using producer financed levies will be in jeopardy. Furthermore, while export subsidies by levies to other destinations could continue for now, these subsidized shipments will also have to be reduced over time.

Canadian further processors, such as Hershey Limited in the nearby city of Smith Falls, De Tomasso Limited in Montreal, or McCains in New Brunswick, which use dairy inputs and products such as condensed milk, butter, and mozzarella in their chocolate and pizza products, for example, rely on U.S. exports to maintain the competitiveness of their Canadian production facilities. These companies, which employ thousands of Canadians, must continue to be able to obtain dairy ingredients at world price levels if they are to continue to successfully compete on the export market and to be competitive with the imports on the domestic market.

Pricing these dairy inputs at the producer level at U.S. competitive prices would eliminate the need for charging levies to producers and paying rebates to processors and would thus be a GATT–WTO acceptable method of maintaining this U.S. export activity. However, without the approach of pooling producer returns, which is enabled by this bill, Bill C–86, there would be no way of maintaining the producer equity that is achieved through the current levy system.

Without being able to pool returns on a national basis, milk producers in provinces where more Canadian processing and further processing activity takes place would be particularly impacted by the reduced market returns involved.

Under the amendments proposed in this bill, the levy system as it applies to milk marketed in interprovincial and export trade would be replicated through the creation of special milk classes where prices would be set at competitive market of destination levels and through pooling of the returns from those markets.

To maintain equity among producers across the country, milk revenues will be pooled and redistributed to producers through the Canadian Dairy Commission and provincial authorities according to terms agreed upon by the industry and the provincial authorities and set out in federal–provincial agreements.

In order to enable the Canadian Dairy Commission to administer such a pooling system for producers, certain federal and provincial administrative powers must be dovetailed legislatively. Most provinces currently have legislation authorizing pricing and pooling of returns on milk sold within their boundaries. The Canadian Dairy Commission requires similar pricing and pooling powers for milk sold across provincial boundaries and for exports. The commission must also be provided with the authority to both delegate and receive these new pricing and pooling powers from the provincial authorities. Such dovetailing of federal and provincial authorities does not involve any encroachment on current provincial powers.

The principal amendments to the Canadian Dairy Commission Act contained in this bill provide the commission with the legal administrative authority to calculate the average national price level for the milk classes whose returns will be pooled. Also it allows them to obtain the returns from sales to processors through the provinces and redistribute the returns to producers through provincial authorities on an equitable basis as per the terms of the formal federal–provincial agreements.

• (1345)

As I indicated earlier, the same effect is now being achieved through the producer levy system which finances such initiatives as the Canadian Dairy Commission's dairy product export assistance program; the rebate program for further processors and the butterfat utilization program.

Other amendments contained in Bill C–86 enable the dairy commission to recover pooling administration costs from funds generated by the pool itself; to establish a special bank account to deal solely with the producer moneys entering and leaving the pool; allow the commission to return any excess fees or levy funds to producers; permit the commission to establish a line of credit to ensure continuity of producer payments and strengthen the enforcement provisions of the act.

The price discrimination and pooling system approach that it will enable by Bill C–86 was developed through extensive dairy

stakeholder consultation and negotiations and is supported by provincial agriculture and agri–food ministers.

I have a number of letters of support from provincial governments, milk producers, organizations and provincial boards from across the country, from Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, B.C., the Dairy Farmers of Canada, the UPA and the Canadian Federation of Agriculture. They all support this bill and ask us to move it through this place and the other place as quickly as possible.

For the past two years stakeholders have dedicated extensive time and effort to develop a means of keeping in step with and responding successfully to all of the changes taking place in the domestic and international marketplace. Several working groups and committees, including the diary industry strategic planning committee, the negotiating subcommittee and the policy and all milk pooling committees, have all been established under the auspices of the Canadian milk supply management committee.

The committee oversees the application of a national milk marketing plan, the federal–provincial agreement which governs milk supply management in Canada. Chaired by the Canadian Dairy Commission, the Canadian milk supply management committee has representation from producers and governments from all provinces except Newfoundland, which is not a signatory to the national plan because it does not produce significant amounts of milk used in the industrial product sector. National processor and consumer groups also participate in the nationwide forum.

The federal–provincial task force on orderly marketing also reviewed the progress made by the dairy sector in defining a new framework for sustainable, orderly marketing. Last December ministers of agriculture and agri–food were advised of the industry's recommendation that national price discrimination be endorsed as the only viable option to continue current programs designed to export to the United States and maintain domestic markets facing import competition, and that the preferable method of sharing returns from price discrimination at the national level. The method that is equitable and GATT acceptable is the pooling of returns from all milk classes.

Ministers subsequently supported this approach and directed that amendments to the Canadian Dairy Commission Act be developed to provide for a national pooling of milk returns to delegated administrative functions.

The bill before us today is the culmination of this comprehensive, consultative process. Through the system enabled under Bill C–86, the dairy sector is adapting to a changing business environment. I congratulate it for doing that.

Dairy stakeholders have developed a flexible and more market oriented approach that will set the industry on a viable course for the long term. The approach will also encourage greater co–operation among provincial milk marketing boards, agencies and processors in developing new markets for Canadian dairy ingredients and products.

I urge all members and all parties in the House to give these amendments speedy consideration and passage so that we can continue to have a growing and strong dairy industry in this country.

• (1350)

[*Translation*]

The Acting Speaker (Mr. Kilger): Before giving the floor to our colleague from Frontenac, I wish to advise him that the Chair will have to interrupt him to allow oral question period to proceed but that he will get to complete his speech afterwards.

Mr. Jean–Guy Chrétien (Frontenac, BQ): Thank you, Mr. Speaker, for the clarification. I will of course comply.

I would like mention right away that five of my colleagues will join me in debate on Bill C–86, a bill of major importance for Quebecers in our view. I will be supported by the hon. members for Champlain, Lotbinière, Québec–Est, Matapédia—Matane and Mégantic—Compton—Stanstead throughout the day and tomorrow, if need be, as I put across our views on Bill C–86, which, I must tell you right away, we will be supporting. We do not have any amendment to put forth at this time. I can therefore assure the hon. member for Prince Edward—Hastings of our full support.

The GATT negotiations in Geneva led dairy producers a merry dance. Negotiations concerning article XI in particular, as well as discussions about maintaining a supply management system did not give much comfort to dairy producers.

I remember attending, in December 1993, a few weeks after this government took office, a large meeting with some dairy producers from my riding. The meeting was held in Saint–Georges–de–Beauce, in the riding of the independent member for Beauce. There were between 500 and 600 farm producers in attendance, and they sounded quite worried. This meeting was chaired by the chief economist of the UPA in Quebec, Yvon Proulx, assisted by two other persons.

I must say that three questions were asked over and over by our dairy producers. The first question of particular interest to them was this: Will supply management with respect to milk be maintained?

I clearly remember the answer chief economist Proulx gave them at the time, as it left me wondering. He said something like this: "My friends, if you want supply management, you can

have it. If you exercise self–discipline, we can have a well–disciplined dairy policy in Quebec and Canada".

He managed to give some reassurances to the producers, who feared among other things that producers could decide overnight to increase their dairy herd, or that those running a cow–calf operation could suddenly decide to start dairy production to supplement their income.

Another matter of concern to producers was quota value. I remember one producer saying: "I could have sold my farm for $1.5 million last fall. Will I be able to sell it for the same price with these declining quota values?" Of course, the question remains unanswered. It was not answered in October 1993. Just this week, I read in *La terre de chez nous* an article by none other than the president of the union representing agricultural producers in the Châteauguay valley, Peter Bienz, who figured out that his dairy quota was worth hundreds of thousands of dollars and who is most interested in what will happen to the value of his quota.

• (1355)

A milk quota is only a work permit, a piece of paper, a certificate which says, for example, that so–and–so has the right to produce 12,000 kilos of milk fat per year. Our agricultural producers are extremely concerned about the monetary value of this piece of paper, which is now so valuable in Quebec, because many of them see it as their pension fund. They are not like MPs who, after sitting in the House of Commons for six years and reaching the age of 55, as provided in the new bill under consideration, can receive a pension for life, which, all in all, is quite reasonable after spending six years in this House. Unfortunately for them, farmers do not enjoy the same perks. They equate their pension fund with the value of their quotas, so I hope that this value will not be slashed.

Finally, another question of concern to farm producers was the following: Will the proposed import tariffs ranging from 181 to 350 per cent remain the same?

Mr. Speaker, I see that the time is passing very quickly and, with your permission, I would like to stop now and resume my speech after Question Period.

The Speaker: Yes, my dear colleague, you may resume your speech after Question Period. You will be first.

It being 2 o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*English*]

STREET KIDS INTERNATIONAL

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I met recently with four high school students from my riding representing Street Kids International, an organization which raises awareness about human rights abuses perpetrated against the most defenceless segment of society, our children.

[*Translation*]

During our meeting, these young students pointed out Guatemala's, Brazil's and Colombia's flagrant violations of the Convention on the Rights of the Child. For a government to order that homeless children be killed because they are seen as harmful to society is totally unacceptable to Canadians.

As a signatory to the Convention on the Rights of the Child, the Canadian government must make every effort to ensure respect for the rights of children whatever their nationality and wherever they live. It is a matter of justice and human dignity.

* * *

MINISTER OF LABOUR

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, now we know what cynicism really is. After relentlessly condemning the federal government's interference in the health sector, and after strongly criticizing the national standards imposed by that same government, the Minister of Labour is now making an about face and claiming that Quebecers want national standards.

She says that the government must make sure that everyone can benefit from the social programs which give Canada its distinct character.

What irony. After defending the idea of Quebec as a distinct society, which implied the rejection of Canada–wide standards, the minister now claims to want to protect Canada's distinct society with these same standards.

This is mind boggling.

* * *

[*English*]

GUN CONTROL

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the more Ontarians learn about the Liberal gun control bill the more they oppose it. They oppose the bill because gun registration has never proven to decrease crime. It failed in New Zealand and Australia. They oppose the bill because it contains draconian search and seizure measures like those of a totalitarian state. They oppose the bill because the consultation process was non–existent at worst and haphazard at best. They oppose the bill because it will cost between $100 million and $500 million of scarce taxpayers' money. They oppose the bill because they want real reduction in crime and not a made in Ottawa solution that will not work.

If Ontario MPs fail to represent their constituents and oppose Bill C–68, the old saying about safety in numbers will fail to apply to Ontario's voice in Ottawa.

TECHNOLOGY

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, I rise in the House today to pay tribute to the business and professional organizations of my riding that assembled recently in an attempt to explore opportunities to enhance democracy through the use of new technologies.

I have made a personal commitment to consultation in my riding and this initiative is another step in refining the process. The brainstorming session that took place covered all areas of technology with representatives from cable, computer, software, hardware, communications and telecommunications industries.

I anticipate great things as a result of the gathering with more access available to the public policy development process and a real economic development benefit to the high tech centre of Atlantic Canada, Fredericton, New Brunswick.

I thank everyone who came out and look forward to future developments as we continue to explore technological opportunities to our mutual advantage.

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RECOMBINANT BOVINE SOMATOTROPIN

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, it is difficult to understand why rBST is needed in Canada, a country that produces dairy products of the highest international quality.

The National Dairy Council of Canada is strongly opposed to rBST. It refers to it as being an unneeded and unwanted intrusion into its business that offers no benefits whatsoever to consumers and processors.

Dairy cows injected with rBST are at greater risk of developing mastitis, a condition requiring the use of antibiotics. This will increase the dumping and waste of milk and potentially can lead to increased levels of antibiotic residues in milk for antibiotics that escape current detection methods.

Some researchers are concerned with the possible link between rBST and human health risks. I urge Health Canada to extend the moratorium on rBST. By waiting until conclusive independent studies have been completed Health Canada will have protected the health of Canadians.

* * *

RESEARCH IN MOTION

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, I am pleased to inform the House of the Canadian Advanced Technology Association 1995 Award of Distinction being awarded to Research in Motion of Waterloo.

The CATA award for outstanding product achievement was presented to RIM in recognition of its exceptional contribution to the growth and competitiveness of Canada's advanced technology industry. The award was presented to RIM at the Global Connections Conference on May 3 to May 5, 1995 in Calgary.

Research in Motion represents the best that Canada has to offer in the new economy. RIM is a 100 per cent Canadian owned, export oriented, high technology company operating in the wireless data communications sector.

RIM's CATA award is the second award given to a Waterloo company in as many years. Mortice Kerns Systems won the 1994 award for its Internet anywhere software which eases access to the Internet.

The federal riding of Waterloo is in the heart of Canada's technology triangle and is a critical mass for technological innovation. Research in Motion is to be congratulated for its achievements as a leading edge Canadian company competing in a global stadium and bringing home the gold.

* * *

[*Translation*]

PROGRAM FOR OLDER WORKER ADJUSTMENT

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, while Ottawa keeps procrastinating regarding the Program for Older Worker Adjustment, the Quebec government is taking concrete action. Yesterday, Quebec labour minister, Louise Harel, announced that her department would help older workers who are victims of mass layoffs but are not eligible to POWA.

For five years now, the Quebec government has been asking that the program be amended, since many older workers are not eligible because of criteria which are too restrictive. When they were in opposition, the federal Liberals strongly supported Quebec's claims. However, now that they are in office, they are not following up on their stance.

Once again, to ensure fair treatment to all Quebecers, the provincial government is forced to go ahead without federal financial support, in spite of the fact that Quebecers pay close to $30 billion in taxes every year.

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[*English*]

TRANS–CANADA HIGHWAY

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, in the prairie provinces 113 kilometres of Trans–Canada Highway from Gull Lake, Saskatchewan, to the Alberta border is still two lanes. In the last 15 years that

stretch of winding hilly goat paths has claimed 23 lives and 320 people have been injured.

Twinning would cost $35 million. Last fall Saskatchewan had its money on the table but Transport Canada would not pony up its share.

• (1405)

Each year the federal government collects $5 billion in road fuel taxes and puts only 10 per cent of it back into the national highway system. There seems to be no limit to funds for hockey rinks, swimming pools and silly bureaucratic projects like universal firearms registration but nothing for this long overdue investment in essential infrastructure, an investment that would save lives.

Priorities, boys and girls, priorities.

* * *

BILL C–72

Mr. Rex Crawford (Kent, Lib.): Mr. Speaker, once again Henri Daviault, the man charged with sexual assault of an elderly disabled woman, was acquitted by using drunkenness as a defence.

After consuming an enormous amount of alcohol this man dragged the victim out of her wheelchair and sexually assaulted her. Despite the fact that the crime was committed, the courts determined that Mr. Daviault was too drunk to know what he was doing.

His acquittal has rightfully angered many Canadians. I have received a petition of several hundred names from the Sexual assault crisis centre of Chatham–Kent. Every signature demonstrates the frustration with the justice system and proves that Bill C–72 is needed and applauded by many.

Each time Mr. Daviault was acquitted of this hideous crime the dissenting judges commented that Parliament was free to deal with the matter of intoxication and criminal fault. That is exactly what the government is doing.

I rise in support of the bill and hope its passage will help in strengthening our justice system.

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PROFESSIONAL WOMEN'S NETWORK

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, in Etobicoke—Lakeshore many women from diverse business backgrounds have come together to establish a network to help women in business.

The Professional Women's Network will provide a much needed forum for local business development and for the needs of professional and business women. These women representing a broad representation of professions will meet regularly to exchange ideas, share information, and work together to create opportunities for each other and for our community.

The growing prominence of women in professions and other sectors has proven to be a major factor in Canada's future growth, and the Professional Women's Network in Etobicoke—Lakeshore is testament to that fact.

The Liberal government recognizes the women of Canada have the imagination and determination to participate fully in the growing world economy. I support, commend and encourage the ingenuity of these and all women across Canada.

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ONTARIO ELECTION

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, as we all know, Ontario voters will soon elect a new provincial government. By most accounts it will be a Lyn McLeod led Liberal government. I say it is about time.

Soon after the campaign started the Lyn McLeod Liberals released their plan to get Ontario back on track. York University economist Fred Lazar said:

> I have had a chance to review the assumptions and the numbers in the Liberal balanced budget plan. This plan to balance Ontario's budget in four years while providing stable multi–year funding to the transfer partners in health, education and the municipalities is a realistic doable approach to re–establishing fiscal responsibility in Ontario. A balanced budget is key to creating a healthy economic climate that will in turn stimulate investment and bring jobs to Ontario.
>
> Only a plan that aims to balance a budget within the term of a government can be considered to be a balanced budget plan.

Ontario needs a new provincial government; it needs a Liberal government led by Lyn McLeod.

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[*Translation*]

HUMAN RIGHTS

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, the Minister of Foreign Affairs has announced that Canada is preparing to start trading with certain countries regardless of their human rights violations. According to the Prime Minister and the Minister of Foreign Affairs, the liberalization of trade is the best means of promoting the respect of human rights.

These words will be of no comfort to those on death row in Indonesia, China, Saudi Arabia, Burma and Iraq. The most ironic thing about the whole situation is that the Liberal government, with the Prime Minister showing the way, is so happy with this development that it is actually bragging about it. Money has no smell. As for the Liberal government, it has no scruples. It has traded them in for several million greenbacks.

[*English*]

HUMAN RESOURCES DEVELOPMENT

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the Minister of Human Resources Development cannot even get a piece of legislation past his own cabinet colleagues.

• (1410)

Every day another article appears stating that the grand schemes proposed by the minister last year have been scrapped. His own discussion papers on unemployment insurance state that 26 per cent of UI claimants have filed four or more claims in the last five years. First he says this is a serious problem that needs to be addressed, and now he is saying it is not a problem and does not need to be addressed. The minister just cannot seem to make up his mind.

Today the minister is reported to have said that the social reform proposals have had to take a backseat to cutting the federal deficit. Reducing the number of repeat users of unemployment insurance would help cut the federal deficit, and still he will not implement the needed reforms.

If the minister cannot make the tough decisions, he should turn the administration of UI over to the workers and the employers who pay the premiums. The minister flails and fails again.

* * *

[*Translation*]

WORLD KITE FESTIVAL

Mr. Raymond Lavigne (Verdun—Saint–Paul, Lib.): Mr. Speaker, when I think of kites, I think of the sheets of newspaper which children used to glue to slats of wood and then try to send up into the sky. Recently, my eyes, and those of hundreds of thousands of other people, were opened.

In 1993, the municipality of Verdun inaugurated the world kite festival. Since then, some 20 countries have begun coming to the event in Verdun to compete and to show off their talent. Each year during the festival, the sky is filled with kites of all colours and of all imaginable forms. Last year, the festival won Quebec's award for tourism—the Meritas prize.

I invite all of you, and your families, to come to the world kite festival which will be held in my beautiful riding of Verdun—Saint–Paul from June 1 to June 4. We promise you a good time and a show that you will not easily forget.

S. O. 31

QUEBEC FINANCE MINISTER'S BUDGET

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, with or without sovereignty, taxes will go up next year, said Jean Campeau, according to today's headline in *La Presse*.

Quebecers do not want taxes to go up, no matter who collects them. They want a responsible finance minister, someone who, like his federal counterpart and those in several provinces across Canada, works hard to reduce spending and the deficit without raising taxes.

The Canadian government has reviewed all government programs and proposed measures to reduce spending and the deficit. Its approach was logical, involving a great deal of consultation and skill and none of this rushing around to close down hospitals, for instance.

Quebec's budget is important to all Quebecers. The Government of Quebec should be less independent and listen to Quebecers.

* * *

[*English*]

NIAGARA DISTRICT AIRPORT

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, two weeks ago the member of Parliament for Niagara Falls and I attended a ceremony initiating the transfer of the Niagara District Airport from the federal government to local authorities.

Local authorities in St. Catharines, Thorold, Niagara Falls and Niagara–on–the–Lake have been working together toward the transfer for quite some time. The national airports policy announced by the transport minister last summer provided a perfect opportunity to make the transfer a reality.

Local control of the airport will provide a more hands on approach where local stakeholders can be directly involved in airport responsibilities. The transfer will enable the airport to run in a cost effective and competitive manner and be better equipped to respond quickly to local commercial opportunities.

We thank the Minister of Transport and his officials for a smooth transition.

* * *

ABORIGINAL RIGHTS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the minister of Indian affairs will soon table a policy on inherent right to self–government. This is a significant departure from past government policies.

Despite red book promises to consult with aboriginal peoples on the inherent rights policy, we now see Indian and Metis

leaders demanding that the minister go public with his document. I agree. All Canadians have a right to know what the minister is contemplating. This will affect future political relations between aboriginal and non–aboriginal Canadians forever.

The Minister of Justice has shown he does not understand what consultation means with his gun bill. Now we hear that the minister of Indian affairs is imitating his colleague and has a secret draft policy that may also have considerable constitutional ramifications. Native leaders do not think they have been adequately consulted, let alone the rest of the Canadian people.

While meeting the needs of aboriginal communities I believe any inherent rights policy must respect the principle of equality for all Canadians.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

INTERGOVERNMENTAL AFFAIRS

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, at a meeting with his Quebec counterpart who came to Ottawa with three bills for a total amount of $333 million, the Minister of Intergovernmental Affairs once again refused to meet his financial commitments. The minister even told Quebec, in no uncertain terms, to take the matter to court.

My question is directed to the Prime Minister. Are we to understand from the arrogant reply of his intergovernmental affairs minister that this is the new flexible federalism: asking Quebec to sue for payment of accounts in arrears?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think the reply the Minister of Intergovernmental Affairs gave yesterday was quite satisfactory. One aspect of the problem is being checked by the auditor general. Another aspect is being checked again. If there were any mistakes, we can correct them, but for the time being, we have no information to that effect.

As for the third matter, when determining payments to the provinces, the Minister of Finance does this according to formulas that are in the legislation. There is no flexibility, and if someone thinks the law was not interpreted as it should be, then that person should, and there are precedents for this, ask the courts to intervene.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, this is the same kind of answer we got for months to requests for reimbursement of referendum costs.

Mr. Loubier: Exactly the same.

Mr. Bouchard: Ottawa has been particularly stubborn in the case of the cost of educating young aboriginal people, which amounted to $119 million, payment of which has been outstanding for eight years. As you know, this amount is payable under the James Bay Agreement signed by Ottawa in 1968.

I want to ask the Prime Minister to explain why, considering these delays and dilatory measures, the only offer he will let his minister make to his Quebec counterpart is to appoint a new committee of officials that will conduct more meetings.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the James Bay Agreement contains a section indicating the province and the federal government must agree on budgets and their content.

In this case, the Province of Quebec refused to fulfil its part of the agreement. It did not give the federal government a chance to check assets and the number of non–natives among the student population. Consequently, we had no way of knowing what the federal government's share actually was.

During that time we paid $464 million for aboriginal education. During that time, and in fact quite recently, we offered to review the matter with the Quebec government in an attempt to clear up this problem, and the ball is now in the court of the Parti Quebecois.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, if the minister wanted to know more about the case, he could talk to his colleague, the Minister of Labour, who used to be the Minister of Education responsible for this matter in Quebec City and as such filed claims that have gone unpaid for years.

Mr. Loubier: Times have changed. She sold out.

Mr. Bouchard: Mr. Speaker, it is not true that the Government of Quebec refused to provide the information. The fact is, more young aboriginal people are getting an education as a result of social measures introduced by the Quebec government, and the federal government, which finds this surprising, refuses to acknowledge this development.

Mr. Loubier: Yes, tell it like it is.

Mr. Bouchard: My question is directed to the Prime Minister. Since the Quebec minister suggested to her federal counterpart that they leave their officials at home and sit down like two reasonable people and deal with the issue face to face, could the Prime Minister instruct his minister to sit down and negotiate and settle this immediately?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, it is clear that both the Province of Quebec and the federal government will have to review the case and again

establish what the facts are. It is clear the Province of Quebec must co–operate and give us the information.

In this particular case, the federal government made it clear that it was ready to negotiate, but the Quebec government has yet to provide the necessary information.

* * *

• (1420)

HUMAN RESOURCES INVESTMENT FUND

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Prime Minister.

Bill C–76, which implements provisions of the budget, contains no provision on the human resources investment fund announced in the budget. The latest ministerial overview, an official document of the Department of Human Resources Development, indicates this fund will have a budget of more than $4 billion, at least $2 billion of which come from the unemployment insurance fund.

Would the Prime Minister confirm that the human resources investment fund will have a budget of $4 billion, financed in large part by the unemployment insurance fund, to enable it to interfere further with new manpower training, income supplement and day care service initiatives?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is becoming more and more frequent for the hon. member to confuse numbers. I would not suggest she is doing it deliberately.

The hon. member knows quite well it has been explained that the human resource investment fund has a way of consolidating a number of existing expenditures so we can begin to provide a much more effective delivery in a decentralized community way. It gives our employment centres much more discretion, much more accountability to make decisions at the local level, working in partnership with their counterparts at the provincial, municipal and community levels.

To again try to elevate it into another wild attack about interventionism misses the whole point. It is really designed to give a lot more control in the local and regional community to make decisions about how to get back to work.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the central government does not have jurisdiction in these areas.

Are we to understand that, with this human resources investment fund, the minister is attempting to carry out the reform of social programs he has been unable to finalize up to now because of nationwide condemnation, and that, far from responding to the demands of Quebec, he intends to intervene further, thus adding to existing waste and muddle in the area of manpower training?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, almost a year ago I made a specific set of offers to all the provinces to share a number of our manpower programs. We would turn over institutional training and invite the provinces to join with us in the planning of programs we have in common and that we would transfer existing programs.

[*Translation*]

Mr. Speaker, to date the Government of Quebec has not given an answer.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, on April 24, the director general of public affairs for national defence, Ruth Cardinal, addressed a meeting of the Media Club of Canada. She emphasized that she would tell them what is really happening in the military.

Ms. Cardinal went on to imply that the suicide rate in the armed forces was acceptable because we get our recruits from the most susceptible portion of the population and that the airborne videos came from ex–soldiers who needed cash because they had blown their pay cheques on Camaros. These are remarkable statements to be made by the defence department's senior mouthpiece.

Does the Minister of National Defence agree that these comments are completely inappropriate, and does he still have full confidence in his director general of public affairs?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, certainly the comments that have been publicized on television and have come to my attention are disturbing. It is a matter that the deputy minister of national defence is looking into at the moment.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Ms. Cardinal was hired for her present position by Bob Fowler, the former deputy minister of defence, who has been under investigation by the Somalia inquiry.

In her speech to the Media Club she went out of her way to discredit one of the principal critics of what went on in Somalia, Dr. Barry Armstrong, saying that his story did not have credence and that he had been proven wrong by an independent group of investigators. The validity of Dr. Armstrong's testimony is to be independently judged by the Somalia inquiry, not prejudged by a DND spin doctor hired by Bob Fowler.

• (1425)

Why does the Minister of National Defence allow his director general of public affairs to make any public statements on the Somalia inquiry when she has a potential conflict of interest with respect to the issues and the individuals to be judged by that inquiry?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I agreed with that very point when it was raised last Friday. Any employee of the Department of National Defence should be very cautious in what he or she says, publicly or privately, with respect to matters which are now before the commission. We do not want anything to be said by anyone in a position of authority to give the impression that there would be some kind of prejudicing of the inquiry.

I also note that the individual in question, the director general of public affairs, won a public service competition for the post.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, what is really at issue is the minister's ability or inability to manage his department. The minister was the last to know about the airborne videos. He was the last to know about the high suicide rate at Valcartier. Now we have the department's senior mouthpiece attempting to bias media coverage of the Somalia inquiry in direct disregard of the minister's gag order concerning that inquiry.

When will the Minister of National Defence start to exercise the leadership of his department which Canadians deserve and expect?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, if there was ever a rhetorical question that was it. Considering the amount of controversy we have had in the last year and a half, I feel quite comfortable in the leadership I have given to the department.

Some hon. members: Hear, hear.

Mr. Collenette: However, I will let other Canadians be the judge of that.

I would like to repeat that the comments which have been brought to my attention are disturbing. They are being looked at by the deputy minister. As to any action that may be taken, I will have to inform the House at a later date.

* * *

[*Translation*]

AGUSTA

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, my question is for the Prime Minister. The government is preparing to compensate the firm Agusta. After cancelling the contract to purchase nearly $6 billion worth of EH–101 helicopters, the Prime Minister stated, a few days after his election, and I quote:

[*English*]

"The program is cancelled and there isn't any compensation for anybody".

[*Translation*]

His Minister of Public Works reaffirmed yesterday the government's intention to conclude an agreement with Agusta.

How can the Prime Minister allow his government to pay compensation to Agusta from public funds, without any investigation into this $6 billion contract to purchase EH–101 helicopters, when Agusta is currently facing charges of corruption and influence peddling in Italy and Belgium?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, this is the third or fourth time that members of the opposition have raised this issue. Unfortunately I am going to have to give the same answer to the hon. member.

The hon. member is making reference to "no compensation for anybody", a phrase which was used by the Prime Minister. However the Prime Minister went on to promise that his ministers involved in those talks would ensure that we "pay not a cent more than we are absolutely required to pay".

What we are doing under the contract which we signed with that company is paying termination costs, which every government must pay. That is not pay for future work, that is payment for work which has been completed or which was being completed upon termination.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, the government is clearly going to compensate Agusta. Therefore, if he will not refuse to compensate Agusta without an investigation first, will the Prime Minister at least guarantee, unlike his Minister of Public Works yesterday, that no new contracts for the purchase of helicopters are awarded to Agusta as a form of compensation for the cancellation of the first contract?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what the minister has just said is correct. I have said it and I repeat it: the government has a contractual obligation for expenses incurred up to that point, which we must fulfil. There will, however, be no compensation for loss of profit or for future work.

If we eventually have to buy new helicopters, no preference will be given to anybody. We will follow the usual procedures in order to obtain the best product at the best price.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence.

The director general of public affairs, Ms. Cardinal, has left the perception that her comments to the Media Club represent the views of the Department of National Defence senior management team. The problem is greater than one person's irresponsible comments and points to the leadership culture at the Department of National Defence which shows ignorance of Canada's frontline soldiers. There is no respect for the minister's authority at the senior management level at DND.

What does the minister intend to do to gain control over his department?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, on the specific allegation the hon. member raised, I answered that question Friday. I answered it yesterday and I answered it again today.

Some disturbing comments have come to light as a result of a speech given by the director general of public affairs. The deputy minister is looking into it. If I have any further announcement on any action that may be taken, it will be made to the House in due course.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, surely the minister must understand it is all well and good that the deputy minister is looking into it but the Minister of National Defence is responsible for this.

The problem is deeper than Ms. Cardinal's speech. These are the views of senior management at DND. The director general of public affairs does not speak off the record. She is responsible for disseminating national defence positions and policies.

What action will the minister take with respect to his supervision with his entire senior management team at DND?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the fact that the deputy minister will be looking into this shows that there will be some action taken.

[*Translation*]

AUDITOR GENERAL'S REPORT

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

All federal public servants have had their wages frozen for several years. In his latest report, the auditor general reveals that, since 1993, diplomats have been allowed to cash in their plane tickets to and from Ottawa to pay for vacations anywhere in the world, without even having to submit vouchers.

How does the President of the Treasury Board justify this 1993 directive, which nets Canadian diplomats posted overseas $8.4 million a year, or about $5,000 tax free per person?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member should understand that the auditor general's criticisms had to do with a former procedure that has since been completely corrected.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, despite the reduction in the number of diplomats posted overseas, the total cost of their vacations, paid for by taxpayers, continues to increase at the rate of 9 per cent a year.

Can the President of the Treasury Board tell us why public officials posted overseas can enjoy all–expenses–paid vacations in an era of budget cuts?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would have appreciated it if the hon. member had at least listened to the answer I gave him. He refers to a situation that no longer exists. I cannot understand why he continues to claim that we give preferential treatment to some public officials when this practice has stopped.

* * *

• (1435)

[*English*]

ETHICS COUNSELLOR

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, my question is for the Prime Minister.

The auditor general's report reveals that an astonishing 58 per cent of public servants are unaware of the federal government's conflict of interest policy. The auditor general also noted that the best conflict of interest guidelines are useless without leadership from the top, the cabinet.

When will the Prime Minister take the initiative to lead by example and prove that he has nothing to hide by appointing an independent ethics counsellor?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there are some very strict guidelines for conflict of interest for everyone in the ministry and in the public service. The senior people in the departments are responsible for those guidelines. There is an ethics counsellor who is consulted on any problem and he reports to me. I am responsible to Parliament for any and all mistakes made and I have never run away from my responsibilities.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the fact is that the ethics counsellor has given an investigation on very, very few matters of substantive importance.

The Liberal red ink book promises an independent ethics counsellor. The Reform Party has repeatedly called for an independent ethics counsellor. Seven of ten provinces have independent persons in this role. Now Gregory Evans, the independent conflict of interest commissioner in Ontario, is calling on the federal government to appoint an independent ethics counsellor.

What is the government hiding? Why does the Prime Minister insist on keeping the ethics counsellor totally accountable to him?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the ethics counsellor will be invited to meet with a committee of this House if required. However, in his daily operations he has to be responsible to somebody so he is responsible to us. One of the reasons we have acted this way is because we did not want to have a multiplication of jobs. He has other responsibilities and we gave him this new responsibility. He is doing a good job.

In the end, no Prime Minister can get up in the House and say he is not responsible and that somebody else is. In this parliamentary system the government is responsible and the head of the government is responsible for the actions of all the government in front of this House, nobody else.

* * *

[*Translation*]

TAINTED BLOOD

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Justice.

The Minister of Health has refused to take a clear and definite stand on the need to press criminal charges, once the Krever inquiry is over, against those individuals whose carelessness caused the death of hundreds of men, women and children.

Since the Minister of Health failed to take a stand on this issue, does the Minister of Justice undertake to see that justice is served and that, once the Krever inquiry is over, charges are laid against those whose behaviour caused the death of hundreds of haemophiliacs?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, this is really an insulting question, considering how much the government is spending to get to the bottom of this, by holding a judicial inquiry. Before we can take position on the inquiry, we have to wait for its findings.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my supplementary is for the Minister of Justice.

Will the minister admit that the information disclosed to the Krever commission so far is sufficiently incriminating to justify pressing criminal charges against those individuals whose irresponsible behaviour led to the tainted blood tragedy?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, however one might characterize the evidence before the Krever inquiry with respect to alleged wrongdoing, in the final analysis the decision whether to proceed with criminal prosecution is up to the provincial authorities. In the circumstances, since it is not a matter for the federal government to initiate, it would not be appropriate for me to comment on the strength of any such suggested charges.

* * *

• (1440)

FISHERIES

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Mr. Abbott: Another surprise.

Some hon. members: Oh, oh.

Mr. Culbert: Mr. Speaker, the alligators are restless this afternoon.

The minister's department has proposed the professionalization of the fishing industry and an increase in licensing fees. My Bay of Fundy fishers depend on a multi–licence fishery to sustain their economy. They are concerned with these proposals.

Will the minister confirm in the House today that his department will seek advice and guidance from the fishing community and industry organizations before proceeding with these initiatives?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I want to thank the member for his question. Of course, with 31 of the 32 members from Atlantic Canada on this side of the House aware that the fishery is not finished, proper consultation is the order of the day in terms of dealing with the fishermen of Atlantic Canada.

I want to assure the member and all members from Atlantic Canada, including the one on that side of the House, that when it comes to any new fee structure, cost recovery structure or professionalization structure within the fishery in Atlantic Canada, consultations will begin in the region with the fisher-

men themselves. The process will be driven from the ground up, not from the top down. The process will start at the end of this month.

* * *

HIGHWAYS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I am not sure Atlantic Canada can afford 31 members on that side of the House.

For instance, the ethical high ground is nowhere to be found on the death valley highway of Wentworth Bypass in Nova Scotia. The mayor of Amherst says if this case was not found to be legally wrong, "I would certainly consider it morally wrong". This boondoggle will cost some companies upward of $400,000 annually, just so the minister of public works can buy some boats in his riding.

Since the questions of morality, fairness and ethics are being raised not only by the Reform Party but indeed by the people who live and some people who have died on this treacherous stretch of the highway, even some guy from the fifth party—

Some hon. members: Oh, oh.

The Speaker: Colleagues, I would encourage all of us to not personalize our remarks. I would ask the hon. member to please come to his question.

Mr. White (Fraser Valley West): My question is for the Prime Minister. Will the Prime Minister admit now that the only way to clear this up is to assign the ethics counsellor to investigate this issue and report back to this House?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, it is always edifying to all members of the House to have the hon. member report on the voices he has been listening to.

Some hon. members: Oh, oh.

Mr. Young: The question raised by the hon. member has been raised on a number of occasions. I want to repeat that the decisions with respect to highway construction in the provinces are the responsibility of the provinces.

The minister of transportation for the province of Nova Scotia approached us. He asked us if we were prepared to review the arrangements with the province of Nova Scotia with respect to allocations of federal funds for highway construction. We did that.

We have done the same thing with others. As a matter of fact, this week I met with the minister of transportation for Newfoundland to do exactly the same thing. We have done the same thing in Prince Edward Island. We have done the same thing in New Brunswick. We will do the same thing in any province in the country because we want to be flexible. We want to try to accommodate provinces that have the responsibility for deciding where highways are constructed within their jurisdiction.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is strange that the Liberals stand up and justify it when the auditor general of Nova Scotia is critcizing them for it.

The Prime Minister just said he never runs away from his responsibilities. I would like to ask him this question. I would like to know why he steadfastly refuses to let his ethics lapdog look into anything that may be potentially—

Some hon. members: Oh, oh.

• (1445)

The Speaker: I am sure we sometimes get carried away in our questions. I wonder if the hon. member would consider withdrawing the word "lapdog" at this juncture. I find it a little offensive.

Mr. White (Fraser Valley West): Mr. Speaker, I suppose I will withdraw that. I would still like the answer to my question.

The Speaker: I put it to the hon. member: Would he please simply withdraw the word "lapdog", yes or no?

Mr. White (Fraser Valley West): Yes, Mr. Speaker.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am very surprised at what they used to call the new way of doing politics.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): Mr. Speaker, I have to tell members that the answer given by the Minister of Transport was very clear. We do indeed respect the provincial jurisdictions.

* * *

[*Translation*]

BOVINE SOMATOTROPIN

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the Minister of Agriculture. On May 13, the daily *La Presse* reported that several dairy producers were illegally using the growth hormone somatotropin, which they import from the U.S. Most of the stakeholders, including the Quebec federation of dairy producers, recognize that this is common practice.

Can the Minister of Agriculture tell us which concrete measure he took to ensure that dairy producers comply with the moratorium in effect?

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I am glad for the last part of the

hon. member's question, which would tend to indicate that the manufacturers of the product who have agreed to the moratorium are complying with the moratorium.

The questions that have been raised in the press appear to relate not to the companies but to the potentially unauthorized use of this product by certain individuals. Since those news stories have arisen in the last several days, I have asked my officials to investigate those allegations to determine whether or not any rules, regulations, or laws of the Government of Canada are being violated in any way. When I have their report on their investigation, I will be happy to share that with the hon. gentleman.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, will the Minister of Agriculture recognize that his moratorium is totally useless, since there is no control over the destination and use of somatotropin once it has gone through Customs at the border, thus creating a situation which could bring a very promising Canadian industry into disrepute?

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): As the hon. gentleman knows, under the existing law of Canada, unless and until the Department of Health has issued a notice of compliance—which has not occurred to date, because the Department of Health is still examining the issue and has not come to a decision—and comes to a decision that is favourable and notice of compliance is issued in due course, then the sale of rBST in Canada is illegal. We have undertaken to investigate allegations of its use presently unauthorized in Canada. We will report the findings of the investigation when they are available.

• (1450)

I want to assure the hon. gentlemen that I and many members on the government side share his concern about the health and strength of the Canadian dairy industry. We are anxious to do everything we can.

* * *

CHILD–PROOF LIGHTERS

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, my question is for the Minister of Health.

The 75–day allotted period for public comment on the draft regulations requiring cigarette lighters to be equipped with child–resistant safety locks has been complied with following publication in part I of the *Canada Gazette*. Canadians applaud this government initiative.

When will the new regulations come into force? And can the minister assure Canadians that retailers will have to remove from their shelves at that time, not one day later, all remaining cigarette lighters that are a danger to children?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the regulations banning non–child–proof disposable lighters will come into effect in the middle of June. Yes, not one day's grace will be given to any retailer in terms of the disposal of these unsafe lighters.

It is a pity that the regulatory process has taken so much time to come forward and bring in the regulations. In the time it has taken, already more children have lost their lives. I would ask the retailers, as much as possible, to get rid of those particular lighters today, because as of the middle of June they will be illegal.

* * *

CONTRACTING GUIDELINES

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, Parkins communication recently won a media monitoring contract worth $15,000 a month from Canada Communications Group. Yet the company failed to meet the mandatory requirements for the contract, including demonstrated experience, quality control, or an office in the capital region. They did not even have a listed telephone number.

The contract was issued mainly because Parkins agreed to hire contract workers from CCG, the very firm that awarded the contract. That is an obvious conflict of interest.

Why has the government chosen to ignore its own contracting guidelines in awarding this contract?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, yes, the hon. member is quite correct. A contract was awarded on January 24, 1995. The hon. member forgot to tell the House that six proposals were received and this one was selected.

We did have a file review by an internal audit group. The review indicated there were no irregularities in the contracting process. I would suggest that if the hon. member has evidence to the contrary he should share the evidence with members of the House so we could have a thorough investigation.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I did list a few of the problems with the contract. The contractor was not qualified. He did not meet the mandatory requirements. He should not even have been considered for the contract.

He had an audit done, of course within his own department. An independent audit, which is like an independent ethics counsellor, something the government has trouble with, should be considered when there is this type of contract, an obvious conflict of interest.

Will the government at least release the inside audit so we can all have a look at it and perhaps reopen the bidding process?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the House should be aware that the hon. member is basing these allegations on a very reputable source he has been able to come up with in the last number of weeks. That source, of course, is *Frank* magazine.

I want to suggest to the hon. member that my department does in excess of 350,000 contracts a year, and at any given time there will be a number of individuals who are not very pleased with the fact that they have not won a contract. Six proposals were submitted and this one was selected based upon the best value for the taxpayer's dollar.

I think the particular awarding of the contract has been done appropriately, and the investigations I have been able to come up with confirm that. However, if the hon. member does have something substantive, other than references to *Frank* magazine, I suggest he put up, or he knows what he should do—shut up.

* * *

• (1455)

[*Translation*]

SEGA COMPANY OF JAPAN

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, on January 13, the CRTC issued a new exemption order concerning the Japanese company SEGA, which is about to offer its video game service on cable television. Yet, the CRTC admitted that this was a broadcast service.

Given the consequences of the exemption order granted to the Japanese company SEGA, can the Minister of Industry tell us if his government intends to set up a working group to review that decision, as was done in the case of Power DirecTv?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I take note the question. I will provide an answer to the hon. member as soon as I get it.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, given the minister's answer, I would like to know if, in the event that a working group is set up to review the exemption, the minister will pledge that the committee will hold public hearings, so that all those who want to express their views on this issue will be able to do so?

The Speaker: I am sorry, but since this is a hypothetical question, it cannot be allowed.

[*English*]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, we have been told that the Minister of Justice did not consult adequately with the governments of the three prairie provinces or the two territories regarding Bill C–68 and that he did not adequately consult with the James Bay Cree, the Council for Yukon Indians, or the Métis. Last night we were told by Chief Mercredi that the minister absolutely did not consult with the Assembly of First Nations.

I ask the Minister of Justice, did he or did he not consult with the Assembly of First Nations on Bill C–68?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, for the last 12 months the Department of Justice and in fact this minister personally have done little else except consult with respect to firearms legislation.

The fact is that there are some, perhaps including the hon. member, who define consultation as doing exactly what they think we ought to do.

The legislation we have put before the House reflects the broad and careful consultation with the wide variety of interests on this topic. The work of the committee, which is now under way and to which the member contributes as an active and hard–working member, is completing that process of listening carefully to the views of Canadians on these important matters.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I do not know how many times we have to ask the justice minister for a straightforward answer to a straightforward question.

On November 30, 1994, the Minister of Justice, while tabling the proposals to Bill C–68, said "Let me make it very clear, the process of consultation leading to legislation is now over". That was back in November.

I ask the Minister of Justice one more time: Inasmuch as he has failed to adequately consult the Yukon Indians, the James Bay Cree, or the First Nations in the prescribed manner, how can he say he has not violated the constitutional rights of these people?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the very fact that those groups are now before the committee expressing their views with respect to the proposed legislation is proof positive that their perspective is being taken into account.

May I say, Mr. Speaker, that the hon. member in opposing this legislation is merely illustrating the inconsistencies in their position. This is the party of law and order that will not do as the police chiefs and the police associations want. This is the party that wants to reflect the views of the people and will not pay

attention to polls in their own province showing widespread support for this legislation.

* * *

• (1500)

INFRASTRUCTURE

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Prime Minister concerning the disgusting and irresponsible diversion of public funds by the minister of public works for a highway called "death valley" where more than 40 people have died over the last nine years so that he could pave a tourist trail in his own riding.

The Minister of Transport twice said this was a decision made by the provincial government. I have in my hand the agreement signed by both governments which says clearly both governments must approve any such project or deal. Why is the Minister of Transport misrepresenting the facts?

Some hon. members: Oh, oh.

The Speaker: I will permit the Minister of Transport to answer the question but I remind hon. members we are skirting awfully close to unparliamentary language in this question period.

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, today I welcome all the members of the fifth party to the House of Commons.

To make sure the hon. member understands this, the death highway he refers to was there during the nine years in which he was a member of government travelling to Nova Scotia. It has not changed in a year from the condition it was in eight years ago, seven years ago, six years ago, five years ago and so on.

The one thing we want to make sure of, which the hon. member should realize, is that it is quite true that by consensus funds are reallocated for highway construction. The difference is when the Government of Nova Scotia requested it we did consent, we did not hold it up the way he and his colleagues used to do when they were in government.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, during question period in response to a question I asked of the minister of public works, he suggested I should find it in my heart to shut up. I do not know what the minister expects me to do. I have to ask questions of the government. I do not think it is very parliamentary to ask another member to shut up.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, it is not unparliamentary and if the hon. member finds the tone somewhat offensive I would gladly apologise to the hon. member. Perhaps the next time he might want to select a different source.

The Speaker: I suggest, with all respect to all hon. members, you give the Chair enough latitude to decide that which is parliamentary or unparliamentary.

I hope we would think very seriously about the words we are using because some of them are inflammatory. Today I found we were coming pretty close to the line of unparliamentary language. I appeal to you to please be very judicious in your choice of words.

• (1505)

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, you called into question today my use of the word lapdog. I have found we have used this descriptive word in the House 32 times already in this Parliament. It is not on the list of unparliamentary language.

The Speaker: Earlier in the session the hon. member for Winnipeg South raised a point of order about the use of a word in Parliament. At that time I explained to the hon. member and to the House that there is no word which in and of itself is unparliamentary. We cannot use the word "liar" in describing each other but if we are using it in a sentence sometimes the word can be used.

The chair is always left with the decision as to what is parliamentary and what is unparliamentary many times from the tone of the word, many times in the context in which it was used.

Again I appeal to all members, as I did in past days, that the decisions I make are hopefully for the proper functioning of the House. Today I asked the hon. member to withdraw a word he used. He was very gracious in doing so and I thank him for it. I would like to let that point sit. I found it offensive today and I have made the ruling.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN DAIRY COMMISSION ACT

The House resumed consideration of the motion.

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, at the GATT negotiations in Geneva, dairy producers were taken on a roller coaster ride, especially in relation to the talks on article XI, and the talks on whether the supply management system should be preserved were far from reassuring.

The new accord to be implemented following the conclusion of this round of GATT negotiations will force the farming sector to rapidly adapt to a new economic environment.

Dairy producers in particular are facing an enormous challenge. By virtue of the GATT's definition of an export subsidy, NAFTA will force dairy producers to do away with their system of export levies by August 1, 1995, that is, in two and a half months.

• (1510)

Bill C–86 amends the Canadian Dairy Commission Act in order to resolve the problem of export subsidies. I would like to mention that the commission's chairman is Mr. Prégent. In particular, this bill would implement a national pooling system of market returns which would be used to promote the export of dairy products.

Currently, producers pay a levy of some $3 per hectolitre of industrial milk, which is used mostly to make butter and powdered skim milk for export. This levy which was labelled under the GATT and NAFTA as an export subsidy, even though it is paid by the producers and not by the government, is justified because the levy is paid at source, like the Rand formula for unionized workers, as I was explaining to my colleague from Lévis earlier. Union dues are deducted from wages. In this case, the Quebec federation of dairy producers takes $3 for each hectolitre from the farmer's pay. Because it is a deduction at source, NAFTA and the GATT consider it a direct export subsidy, and, as of next August 1, it will no longer be permitted.

Therefore, the pooling allowed under Bill C–86 will be consistent with the international agreements and will permit dairy producers to keep the advantages of the existing system. In 14 and a half months, there will be a single milk pool for all of Canada. In other words, on August 1, 1996 all that will matter is that it is milk, not that it is unprocessed or industrial milk.

The hon. member for Brome—Missisquoi will find that it will not matter whether the cows were Holsteins, Ayershires or Jerseys. The issue is milk, and milk alone. And to top it all off, there will be a single price. No longer will there be two prices, one for fluid milk and one for industrial milk.

We should, however, be aware that if the United States, which is only too ready to challenge, of late, decides to challenge this two price policy for milk, one for the domestic market and one for the international market, the dairy industry could be accused of dumping.

However, the United States, or whatever country feels it has been adversely affected, would have to prove that Canadian exports were prejudicial to its market. Since we do not export a lot, and since our exports are increasingly value added processed products, this proof could be very elusive.

Bill C–86 is the response of producers to the impact of new international rules on the dairy industry. Dairy producers have rolled up their sleeves and found ingenious solutions to their predicament. We in the Bloc Quebecois support Bill C–86 because it allows producers to adapt to the requirements of international trade agreements signed by Canada.

• (1515)

The main purpose of the bill is to replace export levies going into an export subsidization fund with the pooling of returns from the marketing of dairy products.

Since some provinces—such as Quebec—export more dairy products than others, the commission will ensure that each province's contribution to the export fund matches its percentage of quotas. That is fair. If Quebec produces 47.5 per cent of industrial milk, it will pay 47.5 per cent of the export fund. If Prince Edward Island produces 6 per cent, it will pay 6 per cent.

For once in this country, we will have ensured a process that is fair. It will be different from the research and development funding system, in which Quebec receives barely 17 or 18 per cent of the funds allocated to R and D every year. In this case, each province will pay according to its percentage of dairy production.

The pooling of revenues from the marketing of dairy products from every province will allow domestic producers to continue to share market risks equitably and to balance the costs of the system, as the levy system often did. For example, if Quebec produces 48 per cent, it will pay 48 per cent; if Prince Edward Island produces 12 per cent, it will pay 12 per cent, and so on.

As you can imagine, I am pleased to point out that this bill will also allow the commission to delegate its powers to provincial marketing boards and to receive in return any similar powers granted to provincial boards, since fluid milk presently comes under the provinces while the Canadian Dairy Commission's authority is restricted to industrial milk.

The bill provides for a delegation of powers between the commission and the provinces for the purpose of managing the pooled fund. In the absence of a signed agreement, the commission would administer the pool only for industrial milk.

I look at the Liberal members opposite and I think that they, as well as the Minister of Agriculture, who is here this afternoon, will understand. How can this be in a federal system variously described as renewed federalism, courtroom federalism or flexible federalism? Those who talk about courtroom federalism probably worked for the Barreau du Québec or some such organization and see in this an opportunity to line their pockets. As the Minister of Intergovernmental Affairs told us again this afternoon: "If you are not happy, all you have to do is sue".

In a normal country, do we go to court every day, one part of the country suing the rest? That is this government's vision of Canada.

Fluid milk, the type we drink every day, comes under provincial jurisdiction, while industrial milk comes under federal jurisdiction, that is to say our jurisdiction, here, in Ottawa.

• (1520)

That is federalism for you: the same cow has to have two sets of udders, with the federal government drawing from the left side and the provincial government from the right. This agreement will help a little bit in correcting this distortion. I can see Liberal members laughing. They are laughing because they did not even know that industrial milk fell within their jurisdiction. One of them just woke up, poor him. He finally realized that reality in the legal world is quite different from the reality of agriculture.

These are the technical changes introduced by Bill C–86 regarding the Canadian Dairy Commission. It is interesting to note that the bill is put forward in a context where six provinces, namely Quebec, Ontario, Manitoba, Prince Edward Island, Nova Scotia and New Brunswick, have signed an agreement in principle to pool their whole milk supply system.

I must say that, among the ten provinces, there is one exception and that is Newfoundland, because it has only fifty of so dairy producers, producing mainly fluid milk, which comes under provincial jurisdiction. So, Newfoundland is not a member of this consortium, leaving nine potential members.

The three Western provinces—Alberta, Saskatchewan and British Columbia—have not joined the other six yet. Should they be called sovereignist provinces? Or secessionist, indépendantiste or even, as the Prime Minister says, separatist? I do not think so. These are elected people who want to properly manage government affairs, adequately represent their constituents, and also check with them to see if this is a good solution. I must say that, regardless of what happens, the six other provinces account for over 82 per cent of Canada's milk production.

Even if all the provinces keep their current quotas, there will only be one milk. There will no longer be any distinction made between industrial milk and fluid milk. Consequently, only one price will apply to milk across the country. The provinces will split the increases in quotas among themselves, and producers will be able to buy quotas from other provinces, which is a nice change.

A Quebec producer will be able to buy a quota in Ontario or in New Brunswick, and vice versa. Of course, there could be an increase in consumption if we help each other, if this government stops reducing subsidies to industrial milk producers, as it just did. The hon. member said that the Minister of Finance was not increasing taxes. What a naive statement on his part, given that the federal tax on gas has gone up half a cent per litre. And the member claims this is not a tax. Oh no, this is not a tax.

The government reduced its industrial milk subsidies by 30 per cent. This is not a tax. However, the cost of milk will increase and the government reduces its subsidies. But this is not a tax. Oh no. It is not a tax. Go and ask producers. Go to Lafaille's for example. I did go last Monday to the Lafaille and Sons' auction, in the riding of my friend, the hon. member for Mégantic—Compton—Stanstead, and I talked with some of my fellow farmers. Let me tell you that the minister should stay away, because if he went there—but he would not dare do that, of course—he would find out what farmers think of his budget.

• (1525)

Admittedly, it took some doing to conclude this agreement. It is the result of lengthy negotiations in which Quebec demonstrated commendable leadership. When the topic of grain and cereals comes up in the House, the West takes the lead role. But in this case, where for once a bill affects Quebec, I am sure you will not mind if I take a minute this afternoon to congratulate some of our own experts on their tireless efforts. I am thinking of the Quebec federation of dairy producers, its president, Claude Rivard, and its vice president, Jean Grégoire, as well as economist Guylaine Gosselin, the UPA milk expert.

I would also like to pay tribute to officials of the Quebec federation of dairy producers for their unremitting efforts throughout these negotiations. There is no doubt that our milk producers in Quebec are very well represented by their elected officials and by their union, the UPA.

I invite my Liberal colleagues to occasionally take a look at *La terre de chez nous*. They would find this weekly newspaper very instructive regarding the views of Quebec farmers and other questions. Speaking of the West, *La Terre de chez nous* carried an article this week about the Canadian milk pool, which threw out an invitation to Western indépendantistes, the three provinces that have not yet signed up: British Columbia, Saskatchewan and Alberta. Despite their hesitation, the repercussions of this historic agreement may well be greater than first thought.

From a practical point of view, we need only mention that in 1996, Quebec dairy producers should see their income rise by 60 to 70 cents per hectolitre. Of course, 60 or 70 cents is not a fortune. It is an increase of a little over half a cent a litre, which has nothing to do with the increase they should have received, given the rise in the cost of living and the cut of the 30 per cent subsidy that the federal government is getting ready to implement on July 1. This increase of 60 to 70 cents per hectolitre results from the realignment of prices for industrial milk and unprocessed milk in Quebec and the prices of milk in the other

provinces, since by 1996, there will be one national price for milk in Canada.

Because of the GATT, Canada will have to allow butter to be imported this year, which will probably affect quotas. But, with the pooling of all returns, the six provinces will share the impact of market fluctuations on all milk prices and no one province will be hit harder than any other.

What must be stressed is that this kind of agreement is based on the economy. It is the kind of agreement which maximizes the strong points of each and every member, who are all working together. Even with a referendum around the corner, producers from various provinces did not hesitate to collaborate with Quebec because it was in their best interests to do so. When we get down to reality, not hypothetical disaster scenarios, we see that the voice of reason prevails over political considerations.

• (1530)

In a document written by The Council for Canadian Unity, largely funded by the taxes paid by all Canadians, and in particular by Quebecers who are forced to pay for this kick in the behind, the council strongly suggests that the word "separation" be used, although the explanation it gives of the term in the glossary simply refers the reader to the definition of sovereignty.

And a few weeks ago, I saw that, regarding the separation of Quebec, the Prime Minister once again uttered the sentence that he just loves to repeat: "Does Quebec want to separate or not?" He knows very well that his only way of convincing people is by fearmongering.

Last week, when I was doing the rounds in my riding, I made a point of visiting—and I hope you did too, Madam Speaker, because I know you have a very special relationship with seniors and as you know, last week was national seniors homes' week—so I made a point of visiting the homes in my riding, and to my surprise, I found that more and more seniors support sovereignty for Quebec.

When I read in *La Presse* that the Premier of Quebec went to the Lower St. Lawrence, in the riding of the Quebec minister of agriculture, where at a home for seniors, he renewed the membership card of the oldest member of the Parti Quebecois on that member's one hundred and first birthday, I thought that was splendid.

This always reminds me of my elderly mother—unfortunately she passed away three years ago—who said she was going to vote for sovereignty because all her children were in favour of sovereignty. But she always added that this was the only weapon we have against their scare tactics. In fact, in a document the Council for Canadian Unity recommends using the term "separation", but they have a nerve, it is not even in the dictionary. According to them, with sovereignty Quebec would immediately lose—and this is just to scare our farmers—all its market quotas in Canada. According to them, it is unlikely that farmers in other provinces would agree to maintain those quotas. When I say them, I am referring to the Council for Canadian Unity, led by a bunch of dyed in the wool federalists who are biased and misrepresent the facts.

Does this mean that after making substantial changes in their operating procedures during this referendum year, producers outside Quebec would be so inconsistent as to drop the whole thing this fall? Madam Speaker, let us be reasonable. In business matters, farmers know which side their bread is buttered.

An hon. member: As they say: "Money talks".

Mr. Chrétien (Frontenac): Indeed. This single milk pool which, as I said earlier, represents 82 per cent of milk production, was created not for the sake of any one group but because it makes sense, and the six provinces that are part of this agreement are in it because it works for them. And who knows, maybe this agreement will be the first of many to be negotiated between Canada and Quebec, after a positive response by Quebecers to the referendum this fall.

At a time when we must adjust to the new environment created by the GATT agreements, we should welcome this agreement wholeheartedly.

• (1535)

As the president of the Union des producteurs agricoles du Québec, Laurent Pellerin, pointed out: "The day after the GATT agreements, the government reiterated its support for supply management on the condition that producers, and dairy producers in particular, collectively adapt their marketing tools". The ball is now in the federal government's court. Let us see whether it keeps its word on this.

Let us now take a closer look at Bill C–86, which was made necessary. As usual, the present federal government waits until the last minute before acting. This bill must pass all stages, receive Senate approval and be in force by August 1, 1995. If we do not count May, only June and July remain. Therefore we have to get on with it.

The aim of this bill is to adjust the famous $3 currently deducted on every hectolitre of industrial milk produced by dairy producers. This $3 levy, known as the export costs in the industry, will be illegal under international agreements as of August 1. This levy is vital, however, because, without this assistance to industrial milk processors, our exports would no longer be competitive, and we would not be able to compete with products from outside the country, which could flood the markets in Canada and Quebec, because our prices would be too high.

I have 40 minutes, Madam Speaker. Yes. I wonder if time does not go by faster on your watch than on mine.

The Acting Speaker (Mrs. Maheu): You had 30 minutes left when you started.

Mr. Chrétien (Frontenac): Madam Speaker, if I have only a minute left, I would like to remind you that, here in Ottawa, on May 2, 3 and 4 the representatives of nine provinces discussed matters in detail. Six of them subsequently made a three–point proposal to Saskatchewan, Alberta and British Columbia. If you permit me, I will read it to you.

The proposal to British Columbia was to pool industrial milk revenues on August 1, 1996. Fluid milk revenues would be added the following year, on August 1, 1997. The province would keep much of the future increases in fluid milk, because the population in British Columbia is the fastest growing in Canada.

Madam Speaker, I thank you very much for your attention. As I indicated to the Speaker before you, five of my colleagues will help me with Bill C–86. They are the hon. members for Champlain, Lotbinière—

The Acting Speaker (Mrs. Maheu): I would remind the hon. member that I have the list of his colleagues who will take part in the debate.

Debate continues with the hon. member for Vegreville.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, it is with enthusiasm and some trepidation that I lead the debate for the Reform Party on the future of supply management and the dairy industry in Canada.

• (1540)

The enthusiasm comes from my belief that there could be and should be a bright future for supply management and particularly the dairy industry in Canada.

The trepidation I feel is for two reasons. First, if the changes in the dairy industry are handled poorly or badly everyone involved in the industry will suffer. Second, I have less of an understanding of the dairy industry than I do of many other areas of agriculture. I have been working hard with the help of dairy farmers and groups that deal with dairy farmers to improve my understanding and I will certainly continue to work on this.

Today we are debating Bill C–86, an act to amend the dairy commission act, but our debate must go beyond the bill to a discussion on the very future of supply management and the dairy industry.

I will debate the bill by summarizing it and how it will affect the dairy industry and discussing the future of the dairy business in Canada as I see it with input from farmers and groups I have talked to. I will do this by discussing Liberal policy on supply management from the red book and later added to the red book in an appendix. I will discuss it by talking about the Liberal position as presented from two other sources. I will refer to these sources later.

Bill C–86 is an act to amend the Canadian Dairy Commission Act. It was given first reading on April 28, 1995. The purpose of the bill is to amend the Canadian Dairy Commission Act to provide for a replacement of the existing system of levies with a system of pooling market returns from different classes of milk.

The government claims the switch to a pooling system will maintain equity among producers and is consistent with Canada's international trade agreement.

I have some background information. As part of Canada's system of supply management, the Canadian milk supply management committee, chaired by the Canadian Dairy Commission, oversees the application of the national milk marketing plan.

The CMSMC sets national production targets, establishes each province's share of the national quota and exports any surplus milk through planned marketing programs. The orderly export of surplus production is an essential element for ensuring the integrity of the supply managed system. Without it the system would falter.

Currently producers assume the cost of exporting dairy products not consumed in Canada through a system of levies collected by provincial marketing boards and agencies as deductions from payments to milk producers. Once remitted to the commission these levies are used to finance special programs intended to increase the domestic use of dairy products and to cover the commission's administrative costs.

During the 1993–94 year a total of $141.5 million was collected from the industrial and fluid milk sectors. Such levies, however, are now considered to be a form of export subsidy under the new GATT deal and must be reduced or modified.

Through the bill Canada's dairy industry would abandon this established system of producer levies on industrial milk. The levies will be replaced with a system of national pooling which allows all stakeholders, including farmers, processors and the commission, to equitably share the costs and benefits of pooling revenues and the effects of fluctuations in market size for both fluid and industrial milk.

Through a system of pooling the producers who export milk into the U.S. would receive smaller returns for their milk but the burden would still be shared by all dairy farmers. Basically instead of a levy taken off farmers' cheques to subsidize exports, the national pool would achieve the same ends since the net return to farmers would be in theory identical.

For its part the processing industry would still pay lower prices for its industrial milk. These amendments to the Canadian Dairy Commission Act add a certain amount of new pricing and funding distribution authority to the Canadian Dairy Commission. The new pricing and pooling approach for milk has

received agreement from all provinces in principle. However, negotiations are ongoing as to whether there will be one national pool, which at the moment appears very unlikely, or two separate pools. There would possibly be one for B.C., Alberta and Saskatchewan, and we do not know about Newfoundland, and another for the other six provinces.

• (1545)

Ontario dairy farmers supply most of the industrial milk to further processors and Quebec dairy farmers are the biggest exporters. They would receive less than other dairy farmers unless there is some form of national pooling. On the other hand, under a national pooling system producers in the other non–exporting provinces subsidize those who are exporting. It really amounts to a form of equalization payment from one sector of the industry to another or from one province to another. This is perhaps the biggest obstacle to achieving agreement on establishing one national pooling regime for all classes of milk.

I would like to talk about the Reform Party's policy and position relating to Bill C–86. Reform policy in this area has four main points.

First, all processors will be able to structure and manage their organizations in any manner they believe will best serve their interests. The matter of regulating production and setting prices for products under the organization's jurisdiction is a producer issue and should be dealt with by producers.

Second, Reformers acknowledge that the agriculture industry, including supply managed sectors, is moving toward a more competitive market driven system.

Third, we have proposed tough positive measures to ensure fair competition. These are measures such as a tougher anti–combines legislation. That would lead to lower input prices and fair trade policies which would help protect against dumping from other countries particularly from the United States. It would help to protect Canada from the effects of high subsidization in other countries in particular the United States.

Fourth, Reformers propose general changes which will reduce government overspending in a general way but through that will reduce input costs to farmers and indeed to other business people.

We presented these measures before the election campaign, during the election campaign and most recently in the taxpayers budget which would lead to a balanced budget over a three year period if implemented. It would be good for all businesses, including the dairy industry.

In February I visited with farmers in the Niagara peninsula. They spoke of three options. These three options have been presented many times since from a variety of groups. For example, a group of dairy farmers and veterinarians who were in Ottawa a couple of weeks ago wanted to discuss the issue of the BST, but also other dairy issues. These options were presented from dairy farmers in my constituency and across the country both in person and by letter.

The three options concern the future of supply management in the dairy industry. The first option is to end supply management now. I do not believe that this is a widely accepted option within the dairy industry. The second option is to start preparing. Recognize the reality and start a transition process which will allow a healthy dairy industry to continue down the road. The third option is to keep supply management as it is.

The third option clearly is not a reality. Unfortunately it is the position this government presents at least in public. It chooses to go down the avenue of least resistance. It would be appropriate now to look at what happened to grain farmers in western Canada because past governments have chosen to go down the road of least resistance.

• (1550)

I am talking about the elimination overnight of the Western Grain Transportation Act subsidy, the old Crow benefit. Due to the lack of openness, honesty and action on the part of previous Conservative and Liberal governments, no phase–out period was provided. There is no clear direction on how farmers will deal with the loss of the freight subsidy. There are no changes in place or proposed by government which would allow efficiencies to be put in place within the grain handling and grain movement system. There are no changes which would allow lower input costs in other areas. Many grain farmers in western Canada will go out of business over the next few years because of the loss of this subsidy, particularly the loss without a transition period for crops which are now being seeded in western Canada.

Governments have talked a lot over the past several years about stabilizing the agriculture industry, but their moves have led to chaos, not stability.

Of these three options, the second option is the option which the Reform Party supports and believes is most realistic. Use what time there is left before we move to open competition in the dairy industry to help prepare for the changes which will come in a supply managed industry. Let us not take the bury your head in the sand approach which has been taken by the government.

Let us look at the reality of the situation in supply management. First, let us look at the GATT and what it does to supply management in the future. After the year 2000 new negotiations will begin regarding supply management through the GATT. In the new negotiations there will be a rapid reduction in tariffs. Those tariffs are presently high and protect the supply managed

industry quite well. There will be more access to imported dairy products in this country.

The changes to the GATT starting a short five years from now will have a huge impact on dairy farmers. That leaves precious little time for farmers to prepare for these changes.

I believe that the real open borders, particularly between the United States and Canada in supply managed products and in dairy products, will come through new NAFTA negotiations. A lawyer for the Dairy Farmers of Canada, which of course is arguing that the GATT supersedes NAFTA in guiding supply managed industries in the Canada–U.S. trade agreement, said in a *Western Producer* article: "The Americans have a strong case in arguing that NAFTA supersedes and that dairy farmers should be preparing for this possibility".

Further, a very significant event happened when our Prime Minister and U.S. President Bill Clinton announced a few months ago that Chile would be a part of the NAFTA deal within four years. Why is that significant? It is significant because the Americans, who are looking for and pushing Canada in every way they can for more access to our supply managed markets will not sign a new NAFTA deal until they have much more access to the Canadian market in milk and dairy products. That will mean that in less than four years the supply managed industry in Canada will have to move to a much more competitive environment.

The government can pretend that it will protect supply management through this process but it cannot. I will demonstrate this with quotes from three sources, from the red book first. I will quote all of the agriculture policy in the red book; it will not take very long. This is how important agriculture is and was to the Liberals when they drafted the red book. This is their complete agriculture policy:

> The Canadian agri–food sector has a unique opportunity for growth. An overall policy for the agri–food sector must build upon three component strategies: developing new domestic and international markets for Canadian food products; reducing input costs to make farming more viable; and introducing a new "whole farm" income stabilization program. Liberals believe that farm families need long term programs to assist them in securing their future, so that they can continue to provide Canadians with the best quality food in the world.

• (1555)

The red book goes on for one more whole paragraph to conclude the Liberals' agriculture policy:

> Canada's agri–food industry needs policies and programs such as supply management, the Canadian Wheat Board, and stabilization programs to minimize the impact of market price fluctuations; government support in developing new commercial markets for commodities in which the agri–food industry has a competitive advantage; sustainable agriculture practices to maintain and improve the quality of our land and water; and mission oriented research to increase productivity and create quality products to meet market demand.

That is the entire agriculture policy that was included in the Liberal red book.

There was a very secret appendix that was even more difficult to get than the red book itself during the campaign and since. It was quite difficult to get. The appendix goes on for three more paragraphs regarding supply management. Three whole paragraphs. That is the extent of the Liberal policy on agriculture and on supply management.

I will go next to some quotes from the parliamentary secretary to the agriculture minister. I will read from a publication put out by the Independent Dairymen's Association Committee of British Columbia which is made up of the Mainland Dairymen's Association and the Southern Interior Dairymen's Association:

> Following are some public quotes from Lyle Vanclief, parliamentary secretary to the federal minister of agriculture, member of Parliament for Prince Edward—Hastings, and owner of a cash crop and market garden farm in Ontario:
>
> "It is more than definite that the future of supply management in Canada will be 'uncertain after the year 2001'. The United States insists that the earlier signed NAFTA supersedes GATT rules. The Americans expect tariff levels to be reduced at a quicker NAFTA rate and be completely gone to zero by 1998".

There are three or four more paragraphs but for the sake of brevity I will end the quote from the parliamentary secretary with that.

It is interesting to note the difference between what the Liberals said in the red book and what the parliamentary secretary to the agriculture minister is now finally starting to say in public. Until now this Liberal government has pretended it can protect supply management. It seems to have refused to acknowledge that NAFTA and the GATT and changes that will come to both agreements will bring about quick change to the supply managed industry, including the dairy industry.

It is encouraging that the parliamentary secretary is finally starting to talk publicly about some of the changes that will come about. This will give the industry some time, a bit of a transition period, to get from where it is to a competitive system which will be in place some time over the next few years.

The third source is an article from the May 4 *Western Producer*. The headline is: "Grits didn't support supply management". The lengthy quote is from Michelle Comeau, former assistant deputy minister for agriculture: "Supply management has proven useful in stabilizing farm income but has generated costs to consumers and to the economy in general".

• (1600)

Barry Wilson leads in by saying: "The Liberals wanted the end of supply management long before GATT, say internal documents". This is totally different from what the Liberals have been saying publicly.

Part of this article states:

> Long before the December 1993 world trade deal "forced" Canada to abandon the legal basis for supply management, the government had decided the system had to go, according to an Agriculture Canada planning document.
>
> Memos issued in 1993, obtained from government files under access to information legislation, show a government publicly proclaiming support for supply management, while privately drawing up plans to manage its weakening.
>
> According to a memo written in late 1993 by then assistant deputy agriculture minister Michelle Comeau to then deputy minister Rob Wright, the system was too rigid and too farmer–dominated.
>
> In any reform, the power of the provinces would have to be reduced and the "excessive producer control over decision making" would have to be counter–balanced by a greater role for processors, retailers and consumers who want lower prices.
>
> "Supply management has proven useful in stabilizing farm income but has generated costs to consumers and to the economy in general", she wrote. "Reform is required."

Point out how different this is from what the Liberals were acknowledging at the time. If the Liberals did not agree with what the bureaucrats were saying, they should have said so then. They chose not to. It is clear from this article the Liberals are saying one thing in public and another thing privately.

I continue with this article:

> Comeau's memo was part of a plan devised by the bureaucracy to handle fall–out from the decision to sign a new world trade deal, even though it excluded the rule which had allowed Canada to control imports of dairy, poultry and egg products governed by supply–managed rules.
>
> For years, the government had been criticizing the rigidity of the decision–making process while praising supply management as a way to help farmers make their living from the market.
>
> Privately, the bureaucrats were agreeing with consumer and processing lobbyists that supply management was bad for the country and the economy.
>
> The planning documents laid out a strategy for dismantling the traditional rules of supply management—controlling the communications, stressing that the system could survive under new rules, injecting more voices into the decision–making, stressing that trade deals and competition made change inevitable and making sure the provinces accepted some of the responsibility for deciding to tear the old system down.

This, released through access to information, is much different from what the Liberals have been saying publicly.

Reform has chosen the more direct and honest approach, even if it means taking some heat in the short term. Which is kinder and gentler, as the Liberals like to always say, to pretend that major changes are not coming and ending up with the pain and hardships that grain farmers in western Canada will feel over the next years as they deal with subsidies that were removed overnight, or being open and honest and allowing dairymen and others involved in the industry to make the transitions that are necessary?

• (1605)

It would be kinder and gentler to lay the cards on the table and allow farmers and processors the time they need to make the transition from this protected industry to a more competitive industry.

The change is coming. Reformers have chosen to be up front and honest in dealing with changes to supply management. I encourage dairy farmers across Canada to choose the approach they prefer and to choose the people they prefer to help them with the transition they must make over the next few years.

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, I will be sharing my time with the hon. member for Vaudreuil.

I am pleased to contribute to the debate on Bill C–86, an act to amend the Canadian Dairy Commission Act. It offers a new, more competitive marketing approach for the Canadian dairy industry, which is required to allow Canada to honour its international trade commitment while preserving the fairness and equity for Canadian milk producers of the present system.

While market opportunities will flow from both the North American free trade agreement and the World Trade Organization agreement, certain changes to our domestic structure must be made. Effective August 1, 1995, under NAFTA Canada will not be permitted to export dairy products to the United States where the price of the product has been supported by a producer funded levy. This relatively immediate export restraint will be accompanied by a more gradually implemented WTO restriction on our ability to use levies to finance dairy product exports to other market destinations.

The importance of maintaining current export and domestic markets for dairy products and for products containing dairy ingredients in a manner that still allows all dairy producers to share the cost of supplying milk to these markets cannot be overstated.

Over 300 dairy plants in Canada employ almost 25,000 Canadians to process milk used as table cream and milk or in products such as milk, cheese, yogurt, and ice cream. Thousands of other jobs are provided in the further processing sector for items containing dairy ingredients such as cookies, pizza, and chocolate, as well as in areas of dairy product transportation, packaging, storage, and marketing.

Under the rebate program for further processors in dairy product export assistance programs, initiatives currently funded by the producer levies and administered by the Canadian Dairy Commission, export assistance was provided to facilitate the export of over 10 million kilograms of cheese in 1993–94 and to support processor purchases of dairy ingredients used in the production of over 2,000 finished food products.

In 1993–94 dairy exports to the United States involved about 0.7 million hectolitres of milk, about 1.7 per cent of the entire Canadian milk quota set for that period.

Canada's dairy processing industry is largely centred in the provinces of Ontario and Quebec. The 1992 census data indicated that 105 plants processing fluid and or industrial milk were located in Ontario, while the 83 plants situated in Quebec had the highest value of shipments, at $3 billion. Alberta follows with 31 processing establishments. B.C. has 25, Manitoba 18, Nova Scotia 14, Saskatchewan 12, P.E.I. 9, New Brunswick 6, and Newfoundland has 5 such processing facilities.

Without price discrimination and pooling of returns, dairy and further processors would not be able to access milk at price levels that would enable them to compete on the U.S. market and be competitive against imports on the domestic market. Furthermore, the current level playing field provided to producers by the current levy system would be eliminated.

The largest volumes of the lower priced milk needed by processors and further processors for certain export and domestic products are produced in the more industrial provinces of Ontario and Quebec. Some smaller provinces are also greatly affected in terms of the proportion of their total milk marketing that is sold at reduced prices.

Without a workable alternative to the current levy system such as that offered by price discrimination, the loss of the U.S. market for Canadian dairy products and products containing dairy ingredients would lead to reduced competitiveness and would place in jeopardy the domestic further processing sector for such products.

• (1610)

Without pooling of the market returns, there would be an inequitable sharing among producers of the cost of maintaining exports to the United States and for domestic competitive markets. This could lead to their abandonment. Should these markets not be maintained, the domestic further processing industry would be less viable due to the diminished economies of scale. Pressure on further processors to relocate their operations to the United States would result. The job loss ramifications of such relocations would be significant.

There is a potential additional reduction in the industry side of almost two per cent resulting from the growing restrictions agreed to under the WTO agreement of the allowable quantity of subsidized exports and the export subsidy paid annually for each product class up to the year 2000–2001. A price discrimination system with pooling of market returns as facilitated by Bill C–86 would address this issue.

Everyone in the Canadian dairy sector is becoming clearly aware of the need to adapt to the new North American and global trade conditions in competition. To illustrate Canadian dairy producers' awareness of this need to adapt, I quote from a May 4 letter written to the Minister of Agriculture and Agri–Food and copied to me by my constituent, Mr. John Core, chairman of the Ontario milk marketing board.

Mr. Core writes:

> It is extremely important that Bill C–86 be passed by the House. We have negotiated long and hard to arrive at a system to replace levies effective August 1. The changes to the CDC Act are critical to special class pricing and the required pooling that follows from that new pricing method. Your directive to not use levies for exports to the U.S. cannot be adhered to without the necessary amendments.
>
> We met the challenge given to us by the federal and provincial agricultural ministers to find the solution. We require the legislative changes now to implement the necessary changes.

Mr. Core, I am proud to say, is one of my constituents.

The dairy industry leaders who have developed and negotiated the approach facilitated by these amendments fully understand that while tariff protection is in place between now and the year 2001, the only way to reduce uncertainty and concern about what happens after this period is to meet the new trade challenges head on. Bill C–86 will allow the industry to do so.

I urge my fellow members to support these amendments.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, I listened with great interest the hon. member's speech on Bill C–86. There was a point I found particularly interesting, and I would like the hon. member to clarify, because I know very well that the farmers' problem is not producing milk but producing just enough to fill their quota.

If farmers were told to raise their quota by 5 per cent this year, they would be very happy. The problem is that they have to produce, say, 10 000 hectolitres of milk, but if they produce more than that they are fined, and if they produce less their quota will be reduced in the following years because—bad boys, bad girls—they cannot fulfil their commitments. So much so that people often joke and compare cows, as the hon. member for Lotbinière did yesterday, to gas pumps that have not been fixed. With gasoline, once the exact number of hectolitres has been

pumped into the tank, the pump is turned off, and the customer waits until tomorrow or the next year. But one can hardly do that with cows.

Therefore our problem is not to produce more, because milk production could easily be increased by 5 per cent a year. What I want to ask about is the 1.7 per cent of our milk production which was exported to the United States last year or in 1993–94. I would like the hon. member to tell the House what province this 1.7 per cent came from and in what form it was exported.

• (1615)

[*English*]

Mrs. Ur: Madam Speaker, I thank the hon. member for his question.

In his statement he said that the dairy farmers do not wish to produce more milk. Bill C–86 is not about producing more milk. It is about providing a proper environment for the new export rules that will be implemented in August of this year. Bill C–86 will open those avenues to the dairy farmers so they can adjust.

Dairy farmers are well aware of the adjustments they have had to make since the Uruguay round of discussions. It is not something that was thrust on them at the last minute.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I agree with the hon. member for Frontenac that Canadian dairy farmers could increase production very rapidly. If Quebec were to become independent and leave Canada I believe that the rest of the country could take up the production that Canada would lose very quickly. Alberta and western Canada would love to be able to improve dairy production.

They do not want Quebec to leave so that will happen. They have other plans for allowing for the increase in dairy production.

There is an understanding that the present system of levies is not GATT friendly. I ask the hon. member if she is completely confident that this bill cannot be challenged successfully by the World Trade Organization?

Mrs. Ur: Madam Speaker, I thank the hon. member for his question.

We certainly have top priority with our dairy people. I feel the government has moved in a fashion that will protect the whole dairy industry.

I realize that six provinces have signed on and other provinces agree with portions of Bill C–86. The bill is in the best interest of Canada and its export markets and pertains to the reduction and changeovers that will be happening in August of this year.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The hon. member for Frontenac has 30 seconds left.

Mr. Jean–Guy Chrétien (Frontenac, BQ): Do we not have ten minutes for questions and comments?

The Acting Speaker (Mrs. Maheu): No. It is five minutes because there was an agreement to share time.

Mr. Jean–Guy Chrétien (Frontenac): Then 30 seconds will not be enough.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, it is my pleasure today to speak in favour of Bill C–86, an act to amend the Canadian Dairy Commission Act. The proposed amendments will permit the strengthening of the partnership between the commission, provincial milk marketing authorities and the dairy industry, through the joint administration of the new pricing system and the pooling of market returns.

This approach will allow Canada to comply with the new trade conditions under the North American Free Trade Agreement and the World Trade Organization agreement. Milk used for exported products or for products on domestic competitive markets will continue to be made available to processors at competitive prices. At the same time, we will maintain the producer equity that is so essential to the current milk marketing system.

Even though Bill C–86 gives new powers to the Canadian Dairy Commission, it has no effect on provincial jurisdiction. An interface between current provincial and federal powers on pricing is necessary so that all milk marketing can be regulated, whether the milk is sold beyond provincial borders or on export markets.

The pricing and pooling approach, authorized by the amendments in Bill C–86, was proposed by the dairy industry itself and represents only administrative changes to the mandate already given to the Canadian Dairy Commission and the provincial milk marketing authorities.

• (1620)

Since its creation as a Crown corporation in 1966, the commission has assumed a key role in the development and implementation of the federal dairy policy. It is working in close collaboration with important national organizations such as the Dairy Farmers of Canada, the National Dairy Council of Canada and others working under them.

The Canadian Dairy Commission is also facilitating the essential work of the Canadian Milk Supply Management Committee through the chairman of this committee responsible for controlling the implementation of the national milk marketing

plan, the federal–provincial agreement governing the management of milk supplies in Canada.

After detailed consultation with the industry, the commission sets the target price of industrial milk—the milk used in dairy products such as cheese and yogurt—and the support price of butter and skim milk powder.

The Canadian Dairy Commission is also authorized to collect levies from producers remitted by the provincial milk marketing authorities. This is to cover exportation costs and finance special programs aimed at increasing domestic consumption of dairy products.

Provincial milk marketing authorities are authorized to set the prices and pool market returns within their respective borders. The new legal provisions contained in Bill C–86 will place the commission on equal footing with provincial authorities as far as price setting is concerned and authorize it to operate the pooling system agreed on by the provinces for milk earmarked for interprovincial or international trade.

In order for the Canadian Dairy Commission to be able to manage this new price setting and pooling approach in the interest of producers, legislation must give certain powers to provincial dairy authorities and, as required, provide that they give up certain responsibilities. In the new system, provincial authorities will grade milk for export or sale on competitive domestic markets and set prices depending on end use.

Under the terms of the amendments before us, the Canadian Dairy Commission would be able to delegate to provincial authorities its present responsibility with respect to the pricing of milk traded interprovincially while being granted the power to pool revenues from the sale of milk sold interprovincially by provincial authorities.

On a regular basis, boards and milk marketing boards would report to the commission the sales volumes and going prices for each grade of milk sold during a given month. The Canadian Dairy Commission would then be asked by provincial authorities to average nationally the price for each component included in the pool. Sufficient amounts would be included from each province to ensure fair distribution of the proceeds from the sale of milk for the lowest priced classes.

We must bear in mind that not all provinces contribute to the same degree to processing activities. The quantity of milk for special classes of products, that is to say, dairy products for export such as cheese, or further processed products such as chocolate and pizza, varies widely across the country.

Most of the inexpensive milk in these classes will be sold to processors in the most industrialized provinces, namely Ontario and Quebec. Some smaller provinces, however, are greatly affected as to their proportion of the total volume of milk sold at reduced prices.

To ensure that the cost of maintaining these industries and the essential export markets is shared equitably among producers, each province will be required to inject a minimum percentage of its total monthly sales of milk into the pooled fund.

• (1625)

This is how national average prices for the different classes of milk products would be calculated. This percentage is being negotiated by provincial authorities.

Returns from the agreed upon percentage of milk sales would then be pooled and redistributed to producers through provincial authorities on an equitable basis negotiated by the industry and provincial authorities and set out in official federal–provincial agreements.

The industry has concluded that creating special classes of milk sold at competitive prices on the destination market would be a good way of maintaining our share of the dairy export market without resorting to production levies.

The importance of finding an equitable way of maintaining our share of the export market in dairy products and products with dairy ingredients was the main force behind the intense negotiations and hard work undertaken by the provinces through the various committees and working groups in the past year.

Just before Christmas, the hon. Ralph Goodale and his provincial and territorial counterparts responsible for agriculture and agri–food confirmed their support of the industry's consensus that some pooling of market returns from dairy products was urgently needed so that the industry could meet Canada's international obligations and maintain an orderly marketing system.

By passing Bill C–86, the House can finally take an active part in the development of this essential sector of the Canadian economy, which successfully faces the modern challenges of the emerging global market.

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, the hon. member for Vaudreuil talked about the target price for industrial milk, which is essential to producers of powdered milk, for example, or frozen pizzas with cheese; this class of milk is sold at a lower price. He talked about the targeted price for that milk. I would like him to elaborate on that.

Secondly he spoke about NAFTA and GATT. I often ask Liberal Party members as well as Reformers which of the two agreements should take precedence. Would the hon. member for Vaudreuil not agree that his government should seek to determine which should take precedence?

For example, the three dollar levy per hectolitre of milk was partly consistent with GATT. It could have been reduced each year by 15 per cent, while, according to NAFTA, it will have to be totally eliminated by August 1, 1995. Which one is right? Is it

GATT or NAFTA? If the hon. member for Vaudreuil does not know, would he not be tempted to suggest to his minister of agriculture that he seek a determination of whether GATT or NAFTA takes precedence?

Mr. Discepola: Madam Speaker, first, the hon. member for Frontenac will surely agree that the bill was drafted in consultation with Quebec's dairy industry, which is very supportive of this legislation.

I do not want to get into a debate as to which agreement takes precedence over the other. Rather, I want to congratulate the hon. member for Frontenac, who is the opposition's critic on agriculture, for his very positive comments, in this House, on April 4, 1995, regarding the development of the memorandum of understanding which integrates the marketing of industrial milk. Indeed, the hon. member was very pleased with this change.

• (1630)

Consequently, I wonder what the opposition is now up to. The fact is that, if the amendments to the act do not come into effect by August 1, 1995, there is a risk that producers' contributions could no longer be used to finance exports to the U.S.

Considering that Quebec accounts for over 47 per cent of the industrial milk production, and that most of this production is exported to the U.S., it only makes sense to pass this bill as quickly as possible, so that producers in Quebec and in the rest of Canada can benefit from it.

[*English*]

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Davenport, World Bank and International Monetary Fund; the hon. member for Richmond—Wolfe, internal trade; the hon. member for Regina—Lumsden, gasoline prices.

[*Translation*]

Mr. Réjean Lefebvre (Champlain, BQ): Madam Speaker, I am very happy to rise and speak today to further the interests of farmers in Quebec and Canada, and more particularly in my riding of Champlain.

It is all the more pleasant to do so since Bill C–86, an act to amend the Canadian Dairy Commission, shows that, for once, the government has understood how important it is for our agricultural producers to adjust to the new international trade rules.

We all know that agriculture is an industry that cannot be compared with any other, especially in Quebec. For example, virtually all farm production in Quebec comes from family farms. Agricultural performance depends on the weather and, for most products, marketing is done jointly by producers. Those few points illustrate the distinctive features of this local industry that has to compete on world markets.

With GATT and NAFTA, farmers are thrown onto a free market and have no other choice but to succeed. To do so, they must prepare, and we must set up systems that are allowed under those agreements and provide independent producers with a framework that is both flexible and competitive.

Bill C–86 is a step in the right direction, but the government should keep in mind that producers must constantly adjust and keep their production costs as low as possible, to be able to meet the challenge of world competition. Farmers have realized as much in the last few years, and they do whatever is needed to succeed. In Quebec, let us just mention the establishment, in 1992, of the Quebec dairy industry recovery fund, which has, as one of its prime missions, the funding of research projects on dairy products or of marketing projects aimed to increase sales.

This recovery fund is partially financed through a levy on each hectolitre of milk produced and on processed products. The fund was set up by the Quebec milk producers federation, Agropur and its subsidiaries, the Lactel Group and a number of associated co–operatives, as well as a company belonging to private manufacturers members of the Dairy Council.

This example shows the innovative spirit of producers and others involved in the Quebec agri–food system and, in addition, it reflects their capacity and willingness to work together to face common challenges. It is no longer possible to ask producers alone to constantly reduce their production costs without asking the other people involved in the agri–food system to do the same.

• (1635)

This reality is the basis of our collective approach and competitiveness on the world markets. Emphasis is now put on total quality and the implementation of research results not only throughout the Quebec and Canadian agri–food systems, but also by all the stakeholders involved, including the federal government.

As for the government, it must make the legislative framework more flexible and maintain the assistance measures allowed under the international trade agreements, as requested by the president of the Canadian Federation of Agriculture during the last general assembly of his organization. The government and the Minister of Agriculture must constantly ensure that their action does not harm the agricultural industry.

The budget recently tabled by the Minister of Finance took away some of the basic resources our farmers need and undermined the growth of our agricultural industry. Under the February budget, Agriculture Canada stands to lose 2,000 jobs, including 900 in the research sector, one of the most important sectors in agriculture, and the farm support programs will be

reduced by 30 per cent. More specifically, milk producers will sustain over a two–year period a 30 per cent cut in the subsidies for industrial milk. These producers live for the most part in eastern Canada, which includes Quebec, and the government has made no provision to compensate these producers, although it plans to compensate western farmers for the elimination of the Crow benefit. The producers will have no other choice but to pass part of the bill on to consumers. And producers will again be accused of having increased the price of dairy products.

As the president of a farmers association, Laurent Pellerin, said in an article which appeared in the weekly *La terre de chez nous*: "The Martin budget singles out rural regions".

The government cannot, on the one hand, change the rules applying to the dairy industry and, on the other, gradually withdraw its support. I would hope that both measures are carried out with the same outlook on our agricultural future and that the Minister of Finance has consulted the Minister of Agriculture before proceeding with these cuts. I would also hope that they have assessed the impact because it would be a shame for the farmers to see the efforts of the Minister of Agriculture wiped out by his colleague, the Minister of Finance, year after year, budget after budget.

Bill C–86 is a very praiseworthy initiative of the Minister of Agriculture, who wishes to establish a national pooling system of market returns which will help sustain dairy product exports. This new system is consistent with international trade agreements and gives producers the same advantages as a deduction system. However, I hope that the minister has thought of a reply for the American government, which has the habit of challenging Canadian agricultural policy and could be tempted to accuse Canada of dumping, since this system favours a lower price for milk used in export products.

We must not forget that the bill before us has been introduced right after six provinces, including Quebec, signed an agreement in principle on the pooling of their milk supply systems. That means that, in these six provinces, producers will get the same price for their milk and that the provinces will administer a common quota. Put together, these six provinces account for 85 per cent of all the industrial milk produced in Canada. That consolidation will allow them to implement a single milk marketing system under which interprovincial barriers to milk supply will be phased out in the medium term.

• (1640)

Moreover, the consolidation of the milk supply system will help these provinces make the adjustment to competition from further–processed foreign dairy products. The agreement is the culmination of lengthy negotiations in which Quebec played a leadership role.

Quebec is the main stakeholder in the dairy products supply management system. Without Quebec, the Canadian dairy policy collapses. The Canadian dairy producers understood that. This agreement proves indeed that, even in the middle of a referendum campaign, dairy producers from the other provinces have recognized the importance of economically integrating their industry with that of Quebec in order to protect their interests.

By their actions, dairy producers have shown that economic reality prevails over emotional debates. This is proof once again that all the dire scenarios that federalists spread about will simply not materialize once Quebec becomes sovereign.

Quebec will not lose its present share of quotas. On the contrary, like the other provinces, it will maintain the supply management system in the interest of all dairy producers in Quebec and in Canada. Quebec's success in dairy production is an economic reality hard won by producers, not a gift from Canadian federalism.

I wanted to mention these facts because they are important in order to explain the role of each player, to understand fully the economic dynamics of the dairy industry and to clarify the role of the government, which must follow suit and work with producers toward a shared vision of tomorrow's agriculture and the actions needed to get there.

The government's contribution to the development of our agricultural economy is mainly through the creation of a favourable environment. It must act as a guide and help all those who want to consolidate their markets or to develop new ones.

Let us hope that Bill C–86 is only the beginning and, as the member of this House for the riding of Champlain, where agriculture is very important to our economy, I must support such initiatives.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, I listened attentively to the hon. member's representations, and, I must say, it sounded to me like a rerun of all of the debates which have taken place in this past year, or even in the past 30 years. They always come back to how our federalist system has mistreated Quebec.

But, recently, the debate shifted to how Quebec can retain the benefits of a federalist system even after declaring its independence. For almost a year now, they have been discussing how Quebec could keep the same currency as Canada, the same passport and citizenship, and how it could remain a member of all of the trade agreements.

I will ask my question now because I would like to give them ample time to answer. How can they dare say to Quebecers today, in this House, that if Quebec were to separate, they would guarantee them—? Under the federal system, dairy producers get 47 per cent of overall production. We heard the Reform member say—

• (1645)

[*English*]

How happy the rest of Canada would be, if Quebec ever decided to separate, to take up the slack in milk production in the rest of Canada. They would be happy. He stated that they did not want the separation of Quebec.

[*Translation*]

Therefore, I am going to ask my hon. colleague how he can dare, first, to tell Quebecers today that they will be a signing party not only with the rest of Canada, but that they will also remain part of NAFTA, GATT and other trade agreements? But, more importantly, how does he intend to guarantee that the production quotas of dairy producers will remain at their current levels?

Mr. Lefebvre: Madam Speaker, I listened carefully to my colleague opposite, the member for Vaudreuil. We can see how consistent the Liberals are in their approach. They continuously resort to the same scare tactics against Quebecers. What I want to say to the member for Veaudreuil is that we, on this side, have guts, we have courage, we are willing and able to trade with any country, and we want to maintain provincial agreements. I believe it will be in the best interests of everybody in Ontario and in the western provinces.

Mr. Jean Landry (Lotbinière, BQ): Madam Speaker, my party's position on Bill C–86 is very clear. We support this bill, which enables milk producers to meet the requirements contained in the international trade agreements signed by Canada. This bill provides for the creation of a national pooling system of market returns which will help support the export of milk products.

Among the interesting proposals, we notice that, from now on, the Canadian Dairy Commission will manage a common fund made up of returns from the sale of dairy products. Previously, the commission deducted levies from producers' pay cheques. With this bill, the commission will ensure that the provinces fund exports proportionally to their milk quotas. For instance, Quebec which exports more dairy products than the other provinces, will be assured that producers will share equally in the risks and in the costs of the system, as was the case under the old levy system.

On April 4, I mentioned in this House that six provinces had signed a memorandum of agreement aimed at merging their milk supply systems. This bill is being tabled while Quebec, Ontario, Manitoba, Prince Edward Island, Nova Scotia and New Brunswick have signed a memorandum of agreement providing for the common marketing of industrial milk and fluid milk in these six provinces. Even if the provinces keep their present quotas, there will be only one class of milk and one price and no more distinction between industrial and fluid milk.

Quebec has played a major role in the signing of this agreement, I want to make that clear. I want to mention it because, even with the upcoming referendum on Quebec's future, the other provinces recognize the importance of an economic union with Quebec. Federalists say that, if Quebec separates, it will lose its present part of the quotas. I say this is false.

Come on. Quebec will keep the supply management process, mainly because it is in the interests of milk producers in other provinces. If the federalist threat were true, Quebec products would create a very harsh competition for dairy farmers from the rest of Canada and there could even be a shortage of these products on the Canadian market.

The fearmongering campaign of the federalists caught on rapidly in Quebec. One of their key arguments is the threat that a sovereign Quebec will lose half of its industrial milk quotas and that thousands of dairy farms will be out of business in Quebec. Roger B. Buckland, a vice–principal at McGill University, suggested in the Opinion rurale column of the March 2nd issue of the magazine *La Terre de chez–nous* that the United States would drive many dairy farms to the brink of bankruptcy.

• (1650)

According to him, the United States would refuse to maintain the tariffs agreed to under GATT in an agreement which would make an independent Quebec part of NAFTA. He argues that sovereignty would have a negative impact on Quebec dairy farmers since, within Confederation, they supply 48 per cent of the industrial milk sold on the Canadian market when Quebec has only 25 per cent of the population.

Fortunately, the same publication also ran a reply from a sociologist, Stéphane Paré, in its issue of March 30 to April 5. Here are some excerpts from this reply:

"Will Americans swallow us? Will they take advantage of the situation to make NAFTA prevail over GATT? Will Canadians produce more milk and will Quebecers have to reduce their production? Quebec, even if it separates, will remain a signatory to GATT, at least that is the way we interpret international law. It is called "state succession", and it means that the successor state abides by the laws and obligations of the country it was part of previously.

Mr. Buckland, I can just see you rushing in to argue that the rule of successor states does not necessarily apply. You are right. In fact, this is one of the reasons why I believe that Canada would be interested in siding with us against Uncle Sam. Canadians know very well that, without Quebec, they would be an easy prey for the Americans. Therefore, they would see the advantages of sitting down with Quebec to negotiate. If there is a possibility that Chile could join NAFTA, I fail to see why the signatories would be harder on Quebec. We must keep in mind that, for the U.S., Quebec is a more important economic partner than France is, for example. As for the fate of dairy producers in

Quebec, you should know that they do not need Quebec's independence to disappear. All they have to do is to let Mr. Martin do his thing".

Rational arguments always prevail over fear, and Quebecers will not be fooled on the day of the referendum. Why claim that a sovereign Quebec would not be allowed to trade with the rest of Canada, when we know that Canada's dairy production is an economic reality? Trade between Quebec and Canada exceeds $80 billion.

Do you think that it would be in Canada's interest to cut all ties to an independent Quebec? If Quebec loses, how can Canada expect to gain? The need to maintain a Quebec–Canada economic zone is obvious.

The agreement in principle reached between the six provinces that we referred to earlier is an increasingly relevant case in point. Dairy producers in the other provinces know that Canada will maintain economic ties with a sovereign Quebec. Economic reality will prevail over feelings of emotion and vengeance. Furthermore, the Quebec government is committed to maintaining a quota system, which it sees as essential to both producers and processors.

We know that scrapping this system would not be in the best interest of any dairy industry in Quebec and Canada. As the Bloc Quebecois demonstrated during the official opposition day on agriculture, excluding Quebec from the quota system would expose dairy producers in the other provinces to the fierce competition of their Quebec counterparts, in addition to creating a shortage of dairy products in those provinces.

GATT rules virtually preclude the imposition, by Canada, of restrictive measures to prevent Quebec dairy products from getting in. These rules seem to be open to a legal challenge. So, we will leave it to the lawyers.

Maintaining a common economic zone within the dairy industry will make it possible to resist pressure from the United States. Quebec and Canada will have to join forces if they want to counter constant American opposition to custom tariffs on our dairy products. The bill before the House, Bill C–86, will probably be challenged by the Americans.

• (1655)

It should not come as a surprise to us to hear that the U.S. are accusing Canada of dumping by reason of the fact that Canada intends to promote low prices for milk in dairy products for the export market. However, it will be up to our neighbours to the South to prove that Canadian exports have an injurious effect on their market. This will not be an easy task, for our products are exported in small amounts and generally processed.

At any rate, we know that all European GATT members subsidize their dairy exports. Canada is not there yet. Therefore, there is no reason to worry too much. However, if Canada were to act on the federalists' threat to break off any ties with an independent Quebec, the American ogre would be sitting pretty. The federalists also threatened Quebec dairy producers with the loss of tariffs negotiated with the U.S. under NAFTA if and when Quebec became sovereign. Come on.

The U.S. appetite for international trade is well known and I am convinced that they will not change their ways with a sovereign Quebec. Naturally, they will try to get more than they already have and to renegotiate the agreement with an independent Quebec. But the fact of the matter is that this is already going on now with Canada. Like Canada, Quebec will reply that customs tariffs are protected by GATT.

The Americans are putting the pressure on and will continue to do so, whether Quebec becomes sovereign or not. However, they do understand that money talks. With exports of $14 billion and imports of $27 billion to and from Quebec, it is not the economic considerations involving Quebec's dairy industry that would keep Americans from signing a new free trade agreement with us.

There is currently very limited trade between Quebec and the U.S. involving the dairy industry, because of high tariffs. It is easy to see that we would have a new free trade agreement without having to make concessions on agricultural tariffs. So, where is the catastrophe for the Quebec dairy industry in a sovereign Quebec?

Where is the catastrophe, if it is wrong to claim that a sovereign Quebec would lose half of its industrial milk quota, which would result, if we are to believe the fearmongers, in the closure of thousands of dairy farms in the province? Where is the catastrophe, if it is wrong to claim that sovereignty would adversely affect Quebec producers, because they provide 48 per cent of Canada's industrial milk production, while accounting for only 25 per cent of the country's population? Where is the catastrope, if it is wrong to claim that Quebec dairy producers will lose the benefit of the existing tariffs with the U.S., under NAFTA. Where then is the real threat?

The real threat was tabled by this government not long ago. The real threat for Quebec's dairy industry is the last federal budget, as I said a few moments ago, when I quoted a Quebec sociologist. Because of that budget, the federal subsidy for industrial milk is reduced by 30 per cent over a two year period.

We mentioned earlier that Quebec accounts for 48 per cent of Canada's industrial milk production. So, who do you think will bear the brunt of these cuts? It is pretty easy to figure out. These cuts amount to a loss of income of $3,775 for an average size dairy farm producing about 2,500 hectolitres of milk. This means a 15 per cent loss of income for a producer with a net income of $25,000. And this is not taking into account the

increased feed costs, following the elimination of transport subsidies for grain and feed. Quebec farmers have been left high and dry. The finance minister's budget does not provide any compensation for them, even though they are the most affected by it.

This bill will allow producers to adjust to the requirements of international trade agreements signed by Canada. As we said, this is why the official opposition supports Bill C–86. However, the problem confronting our daiary producers is certainly not solved, given the obstacles set in their way by the finance minister's budget.

• (1700)

What gives me hope however is the agreement in principle signed by Quebec, Ontario and the four other provinces to pool their milk supply system. This shows that a sovereign Quebec would not be isolated for mere emotional reasons, when it is economic considerations that really count.

[*English*]

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, I listened to the remarks of my colleague with great interest.

I come from a rural Ontario riding that has an excellent dairy industry. Speaking on behalf of the farmers, the dairy producers in the immediate area where I live, I am perplexed by the remarks that separation would not hurt Quebec producers.

The dairy farmers in my area feel very strongly that Quebec dairy farmers are enjoying a singular advantage right now and would look forward to an opportunity to compete face to face with Quebec as would be the case in the event of separation. There are farmers in my riding who are very expert in the dairy industry.

Does my colleague feel in the event of Quebec's separation that Ontario dairy producers would lose or gain? Would they produce more milk and get more money?

[*Translation*]

Mr. Landry: Madam Speaker, it is my pleasure to answer this question because, in reality, our colleagues from Ontario, our neighbour, have nothing to worry about. They know very well that they have a good thing going with Quebec, and Quebec knows it too.

I do not believe that the day after Quebec's separation, should that day come, Ontario would say: "From this day on, we are going to ignore you, ignore your businesses, your dairy businesses, your imports and exports". I do not believe it because my colleague opposite knows very well that two provinces, two good provinces, Quebec and Ontario, which have always had good trade relations, are not going to erect walls at their borders, even when it comes to agriculture, I might add.

My colleague also knows very well that, as things stand now, such a move would cause Ontario to lose thousands of jobs and millions and millions in revenue. Therefore, I think that a married couple can always make some kind of alliance and come to some kind of agreement. I would like to add that we are all sensible people, whether we are from Quebec or from another place in Canada. We are all very reasonable and very talented. Should Quebec separate from the rest of Canada, I would be worried in the least. We will continue to have very good trade relations. I assure you. I thank my colleague for raising this excellent question.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, marriage is not on the agenda in the current political situation in Quebec. Divorce is. And I never knew people to be better off after a divorce than they were before. Never. They keep talking about threats and scare tactics when we disagree with them. The real scare tactics started when the budget was brought down in Quebec. Although six or as many as eight provinces brought down a balanced budget, the Quebec minister of finance opted for genuine scaremongering. Vote no or vote yes, depending on the question, otherwise we raise taxes.

The hon. member also said everything would be just fine after separation.

[*English*]

They are dreaming in Technicolor. They stand in the House day after day and state everything will be rosy after separation. I challenge them.

[*Translation*]

Mr. Chrétien (Frontenac): Question. Question.

Mr. Discepola: The hon. member for Frontenac might as well know this is a time for more than questions, this is a time for questions and comments. He never had the intestinal fortitude to tell the House how Quebec and its farmers would be better off in an independent Quebec.

• (1705)

The hon. member also said that, in an independent Quebec, Quebecers would have the assurance that their new country would be a party to all trade agreements.

[*English*]

He says again that it is in the interest of Ontario and all other provinces to continue a lateral trade relationship with Quebec.

We are talking about a divorce; we are talking about the destruction of a country. They cannot stand in the House day after day and pretend that in a separate Quebec people would be able to keep the monetary policy, the Canadian dollar, and to have dual citizenship. Imagine people in Quebec being able to vote in the rest of Canada because they have dual citizenship and people from the rest of Canada not being able to vote in Quebec.

There is never a campaign of fear mongering in this party. We will reach a decision diplomatically and democratically. I would like them once and for all to stand and say there may be a risk but they do not. They continually tell Quebecers that it will be business as usual.

How can they guarantee that? They have said they want to take the good things Canada has to offer. They want the same dollar, the same passport, the same everything. Pretty soon they will be telling us: "We will keep Canada; find your own Quebec".

[*Translation*]

Mr. Landry: Madam Speaker, it will be a pleasure to respond to the hon. member for Vaudreuil. I wish the hon. member would remember what I said. When I referred to marriage, I meant an economic marriage, and I would like to point out that today, as many as 60 per cent of businesses in Quebec and Ontario are involved in joint ventures, and that Ontario has a $3.8 billion trade surplus with Quebec.

Just a minute, Madam Speaker, just a minute, please. Will Ontario ignore us overnight? Will Ontario and the other provinces in Canada turn down economic ties overnight? Hardly likely. Globalization is the order of the day. But let us continue.

Just because we are talking about agriculture, we do not need more fences. There will be no fences tomorrow. These are the figures I wanted to mention in the House when I spoke earlier, and I repeat, this is an economic marriage regardless of the outcome for Quebec. With respect to agriculture, which was supposed to be my topic today, there are no borders, no fences. And I may add that yes, this will be a good economic marriage.

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, as someone from British Columbia I am sick and tired of talk about some kind of economic merger.

A lot of dairy products come from Quebec into British Columbia. Why does the member think British Columbia would accept product from a country that just separated from Canada? What motivation is there for people from British Columbia to take the product when we can produce it ourselves?

[*Translation*]

Mr. Landry: Madam Speaker, I think our western colleague overlooked the fact that Quebec buys $800 million worth of beef.

Mr. Chrétien (Frontenac): Annually.

Mr. Landry: Annually. Eight hundred million dollars worth.

Does the West—

An hon. member: And Western wheat.

Mr. Landry: We could say plenty about Western wheat, Madam Speaker.

I will say this, if the Reform Party does not want an economic marriage, it can refrain, but as a politician, I say that we are going to have a real marriage, a marriage that is economically and politically sound.

• (1710)

[*English*]

Mr. Wayne Easter (Malpeque, Lib.): Madam Speaker, I am happy to join my colleagues in the debate on Bill C–86, an act to amend the Canadian Dairy Commission Act and to add my support to this important initiative.

Dairy farmers of Canada as well as producers in my home province of Prince Edward Island are very anxious to see the bill passed prior to the end of June so that the legislative requirements laid out in the act are in place prior to August 1.

The P.E.I. milk marketing board held a number of public meetings on the proposals outlined in the act and had strong producer support. However I underline the important point that producers in my province do not want to see this as the first step in moving toward a national quota exchange. It is important to have the quota distributed throughout the country and not drawn basically into Quebec and Ontario through quota pricing practices. I underline that as a concern.

The bill provides Canada's dairy sector with the ways and means to successfully face demanding new market realities. As well the amendments are very much in line with the government's fiscal goal of getting the deficit under control.

The new milk pricing and pooling system will not require any additional resources from government reserves. It will not entail any contingent liability on the part of the federal government or involve any reallocations from within the Canadian Dairy Commission's current operating funds.

As my colleagues before me have noted, the principal amendments to the act provide the commission with the legal administrative authority to work co–operatively with provincial milk marketing authorities to calculate the average national price level for the milk classes whose returns will be pooled, to obtain the returns from sale to processors through the provinces and then to redistribute the returns to producers through provincial authorities on an equitable basis under the terms of a formal federal–provincial agreement.

The other amendments contained in Bill C–86 are even less complicated. They are necessary to add clarity to the act to ensure compatibility and consistency with provincial authorities and legislation, to enable proper and efficient banking procedures and administration of producer money, and to strengthen the enforcement provisions of the act.

Through Bill C–86 a provincial milk marketing board is specifically defined to add clarity to the act and to ensure consistency with similar provisions contained in the dairy products marketing regulations. The new industry pooling system for milk marketing returns will be carried out through arrangements agreed upon by the Canadian dairy commission and the provincial milk marketing authorities.

An amendment has also been included for clarity to ensure that there is no misinterpretation of the fact that the regulations made under the CDC act do not take precedence in terms of the authorities provided to the commission under the act.

The provisions contained in any legislated act always take precedence over any regulations made pursuant to the act. That is an important point. Other amendments provided by Bill C–86 enable the commission to recover pool administration costs from the pool, to establish a special bank account to deal solely with the producer moneys entering and leaving the pool through the provincial authorities, and to permit the CDC to establish a line of credit to ensure continuity of producer payments. These are important principles to ensure that we meet our GATT obligations and that we are not using government moneys to fulfil these procedures.

Under pooling arrangements the Canadian dairy commission will simply be administering a pool of producer moneys on behalf of producers. If necessary, any borrowing costs would be undertaken on a short term basis only to ensure timeliness of payments as moneys enter and leave the pool. Any such borrowings would be subject to prior approval by the Minister of Finance and be totally funded by producers.

• (1715)

Bill C–86 also enables the CDC to continue its long standing practice of returning any excess fees or levy funds rightfully owed back to producers. The amount of in quota production per producer can only be estimated at the beginning of each dairy year. The amount of actual production is not known until the end of the year.

While no penalties are charged for under producing milk, under the supply management system over quota production is exported and levies are charged on these amounts to cover export costs and other related CDC program costs. The same type of situation may well occur under the pooling system as average national prices will be calculated at the beginning of a certain period and may differ when the marketing costs are finally determined. Again, no additional government funds are involved.

The last amendment contained in Bill C–86 strengthens the enforcement provisions of the CDC act. Given the attorney general conducts all litigation for the commission and has the power to seek injunctive relief in its own name the new provision will ensure the same relief is available if litigation is commenced by or against the commission in the name of the CDC.

Again I urge my fellow members to fully support Bill C–86. Such approval will demonstrate clear recognition of the importance of Canada's dairy sector and the continuation of the supply management system and its benefits to not only producers but to all Canadians. This is a model we should be encouraging other countries to adopt and these amendment will go a long way in terms of making it compatible with GATT agreements.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, my distinguished colleague and member for Malpèque is an expert in dairy production, and I have considerable respect for him.

The Federation of Dairy Producers of Canada decided to comply with the provisions of NAFTA—and NAFTA is the reason we are here debating Bill C–86 this afternoon—because the $3 levy per hectolitre of milk could have been reduced by 15 per cent a year. However, GATT determined that, as of August 1, 1995, this $3 deduction from the income of industrial milk producers would be illegal under the NAFTA agreement, because it would be considered a direct export subsidy.

This is debatable, but since it seems we do not want to overly upset the Americans, we bowed to their demands. We still do not know which takes precedence—GATT or NAFTA—so we comply with the requirements of NAFTA.

Under this agreement, we obtained an extension in order to become legal. As the member for Malpèque pointed out, the quota may be negotiated between provinces. The hon. member for Malpèque could buy part of Quebec's quota to expand his farm. Better yet, if he wants to swell his coffers, he could sell his quota to Quebecers, who could take his quota from Prince Edward Island and bring it to Quebec.

I think this is a very good point in Bill C–86, given that, in the agreement signed by the farm producers of the six provinces, if, for example, Prince Edward Island sees its milk quota vanish like snow in springtime after the 1 per cent sale, it can temporarily withdraw from the agreement it signed with the other five provinces.

• (1720)

What I want to find out from my colleague for Malpeque, who is very familiar with agriculture across Canada, is: what is going to happen to the three recalcitrant provinces? I will not go so far as calling them separatist, but I would like to know what we can give these three western provinces to get them to sign the agreement with the six other provinces, since they produce barely 18 per cent of Canada's milk.

[*English*]

Mr. Easter: Madam Speaker, I thank the hon. member for his question.

I want to make it very clear that Bill C–86 is only talking about the legislative authority to implement a national pooling system of market returns from the different classes of milk. It will not establish a national quota exchange. To be very clear, it will set up a national pooling system of market returns and would give that authority within the context of federal–provincial agreements on pooling mainly through delegated functions. I raised quota exchange because it is a concern of producers in Prince Edward Island that this legislation not been seen as the first step toward moving in that direction.

This requirement is really as a result of the GATT. In terms of the point he raised with respect to GATT and NAFTA, we in Canada know which tariff reduction regime has priority. We know it is the GATT negotiation and not NAFTA. The Americans may differ in their opinion but certainly we are firmly behind the stand that the GATT tariff reduction rules apply.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, the debate to this point has been quite insightful. It tells us a bit about Canada and some of the problems we face. It is interesting that the debate is over something as simple as milking cows. The previous Liberal speaker has been actively involved in the dairy industry. I cannot say the same although I have milked cows.

It is very interesting to see a debate in the House, an argument, a scrap might be the correct word, between the Liberals and the Bloc over milking cows. It was at the point at which they were talking about marriages and divorces over milking cows. We have to wonder, in the marriage or the divorce who is the cow and who is the bull. Maybe we have two bulls, in which case where is the milk?

If we have this kind of debate over milking cows, can we imagine a fight over the future of Canada as to whether we remain a united country? We can imagine how the scrap will intensify. We will not be talking about milking cows, we will be talking about the St. Lawrence seaway, the division of assets, federal buildings across the river in Hull, federal buildings in Montreal and all across Quebec, apportioning the federal debt. We can only imagine the difficulty.

The problem is we have two parties in the House talking about marriage and divorce. It is time to change the parameters of the debate and start talking about life and death. With the parties involved in the debate all I see is the potential of death. They will scrap until someone is killed.

• (1725)

We may be talking about some new life in this issue. When I think about new life I think about Reform because Reform talks about a constructive new way of looking at things. Perhaps both parties need to lay aside their instruments of war and listen to Reformers who talk about a new Canada, the birth of new ideas, a new Confederation with 10 equal provinces working together because they have responsibilities appropriated to each level of government in a manner that will allow us to work co–operatively and lay aside some of these foolish and silly debates like the debate over how we milk our cows.

I farm and I have milked cows, mostly as a young lad. I do not claim to be an expert but I recognize the importance of the industry. Therefore it is a privilege for me to speak this afternoon on Bill C–86 which provides for the replacement of levies with a pooling system of market returns from different classes of milk use, which system maintains producer equity and is consistent with Canada's international trade agreement.

I rise in the House today to talk about an issue that should have been addressed many months ago. While I congratulate the government for finally addressing the issue of supply management, I have many doubts whether the government has the resolve to develop a policy that addresses farmers' concerns for the long term.

Canada's supply management system has provided stability to the dairy industry. In the system farmers are given a reliable means of marketing their product with a consistent price. Consumers are guaranteed in receiving a product of high quality. However, this has come with a hefty price tag for consumers with goods in some cases double what the same product would cost in the United States.

As long as our dollar is relatively low, below 80 cents U.S., it does not create too much of a problem. However, when we see our dollar increase above the 80 cent mark certainly we have cross–border shopping. Any Canadian who goes across the border to shop in the United States will put in their hamper large quantities of dairy products such as cheese, milk and the like. That indicates perhaps there are some fundamental problems and pitfalls ahead with regard to not only the dairy industry but all supply managed areas we need to openly discuss in the House and in the industry.

Recent developments in world trade have signalled the inevitable end of Canada's supply managed systems as we know them. The status quo will go, just as it will go with regard to the squabble between separatists and federalists. The status quo in the supply managed system will have to pass away as well.

As of August 1, 1995 under the Uruguay round of GATT all import quotas must be converted to tariffs. While tariffs may protect supply managed commodities in the short term, it is doubtful they will be a fixture in the long term. Canada will try

to maintain the 85 per cent tariff level until the year 2001 but it is likely the United States will challenge it. Even the parliamentary secretary to the federal minister of agriculture has said publicly this is inevitable.

I quote the MP for Prince Edward—Hastings:

> What will likely happen is that the Americans will ask for a NAFTA panel in the very near future. The panel of industry experts is made up of two Americans and a fifth person who is chosen by 'a flip of a coin'. The system is somewhat biased, depending on which country 'wins the toss of the coin'. That's the way the system works.

The government is confident it can win an American challenge against tariff levels. However, what plan of action has the government developed if the Americans win the challenge? It reminds me that the Liberals said they were sure Canada would win the debate over article XI in the GATT negotiations.

Everyone knows the Liberals were wrong. We have found out the Liberals are wrong a lot of time. We are concerned that they do not always accurately communicate the conditions not only of the dairy industry, but those that many sectors of our economy may face in the future. The Liberals are not being straightforward with the results of the ongoing deficit and increasing debt.

It is about time we started to deal realistically with the issues before us and address in a very direct form the concerns of the dairy industry. For instance, a ruling in favour of the Americans would put the current system in jeopardy. We are reminded that an ounce of prevention is worth a pound of cure. The Reform Party supports the tariff levels which were agreed to under GATT.

The Acting Speaker (Mrs. Maheu): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA ELECTIONS ACT

Mr. Ian McClelland (Edmonton Southwest, Ref.) moved that Bill C–319, an act to amend the Canada Elections Act (reimbursement of election expenses) be read the second time and referred to a committee.

He said: Madam Speaker, this is a very straightforward bill. It intends to put one more very small hurdle in the path of registered political parties before they are eligible for reimbursement from the public purse. It would be a hurdle similar to the one that is in the path of individual candidates. When individual candidates run in a particular riding, the candidate is required to have 15 per cent of the total votes cast in that constituency before the candidate is eligible for reimbursement from the public purse.

Reams and volumes of books have been published over the years on election financing in Canada. The stack is quite high. It all has to do with financing elections in Canada and ensuring that financing is straightforward and transparent. It ensures that candidates who are able to run in elections come forward to represent their constituencies without having to be independently well off.

The election financing rules are intended to ensure that candidates are not bought by individuals. That is why there are limits on campaign expenditures. That is why there is full disclosure on funding of individual and national campaigns.

The bill speaks only to the national campaigns. It was motivated during the last election when I found myself, as everyone in the House did, in the situation where there was a cacophony of candidates representing quite a wide variety of platforms.

Perhaps the most outrageous was the platform of the yogic flyers. While the debates were going on I wondered what yogic flying had to do with running our country and what yogic flying could do to get our country out of debt and make our country work better. At first I am sure many people thought it was a joke. We certainly do not want to dissuade anyone from running and getting involved in politics. And perhaps yogic flyers do have the answer to Canada's problems.

I wish to inform the Chair that it is my intention to share my time with my colleague from Okanagan Centre.

• (1735)

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

Mr. McClelland: Madam Speaker, here we were in the middle of the election campaign surrounded by yogic flyers.

That would have been great, except that when the election was over I checked into it. They received a grand total of 84,000 votes in the last election, .6 per cent of the total votes cast. They also received $717,000 from the taxpayers of Canada in reimbursement for their national campaign expenditures. It worked out that the taxpayers of Canada reimbursed them $8.41 for every vote cast. They spent $37.38 for every vote they received, which is their business. It did not make sense to me that the taxpayers of Canada should be subsidizing what really is not a political party.

The intention of having the national campaign party reimbursement was to ensure that national or regional political parties had some income between elections. It was intended to

keep them going. National or regional political parties are necessary for the lifeblood of the country.

In looking at the campaign expenditures, we thought about how we would make sure the hurdle was low enough, so small that parties could get started yet high enough to be real. We came up with the figure of 2 per cent. Federal parties would have to have spent 10 per cent of their total allowable limit and also have garnered 2 per cent of the total votes cast. In the last election that would be something like 270,000 votes across the country.

Some with whom I have discussed this bill have suggested it might be appropriate to have a lower threshold. If that is the case, I would be quite happy to consider amending this bill to have a lower threshold, perhaps 1 per cent.

Mr. Milliken: Why not higher?

Mr. McClelland: That would still be 130,000 votes across the country. As an hon. member opposite mentioned, why not higher? If it is the will of this House either in committee or in debate that it should be higher, that could be considered. In my view, 2 per cent was high enough that it was a hurdle but low enough that it was possible to achieve.

I wish to reiterate the intent is not to prevent new parties from getting going. The intent is in keeping with the spirit of the Electoral Reform Commission to ensure hurdles are in place to protect the public purse, to ensure that genuine political parties are able to benefit from the very wise intentions of those that preceded us in this House.

I ask hon. members opposite to give this bill their consideration and support. It may save us somewhere in the region of $1 million, which for most Canadians is quite a lot of money. For the federal budget, it is not that large an amount. However, it is not just the amount, but the principle we are talking about.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Madam Speaker, I am pleased and happy today to be able to support my colleague from Edmonton Southwest and his bill to amend the Canada Elections Act.

Canadians are a people with a profound respect for democracy. Look around at the make–up of the House. We know by the change that took place from the last election to this one how democracy is respected in our country.

We understand representation very well. We respect it even when we do not necessarily agree with everything our representatives say. One of the things that brings this home most clearly is the structure of our electoral system.

• (1740)

We conduct open, free and fair elections in Canada. We give political parties tools to raise funds and to run candidates. We place limits and restrictions on their activities during and between writs to ensure fairness, even in dealing with each other and with the public. We have disclosure rules to make the system transparent. But our system also has some flaws. The bill put forward by my hon. colleague is all about addressing one of those flaws.

Bill C–319 seeks to limit the reimbursement of election expenses to those parties that have spent more than 10 per cent of their allotted expense amount as described in section 46 of the Canada Elections Act if and only if they receive more than 2 per cent of the vote nationally. What this would do is limit expense reimbursement to only those parties that have received a significant number of votes in the election, those parties that have a reasonable level of public support among Canadian voters.

In the most recent election, Elections Canada reports that there were 19,906,796 registered voters. This means that with this bill a party would have to have received 398,136 votes nationally to be eligible for reimbursement of election expenses. I do not think it is unreasonable for Canadians to expect a party to give a reasonable showing in an election before hard earned tax dollars are handed over to help it pay its bills.

What this bill seeks to prevent is the situation that arose in the last election. During that election certain parties were either well financed or had policies that were way out of touch with reality but were still well financed. These parties managed to field a large number of candidates and spent considerable sums on their campaigns. The taxpayer reimbursed them for a sizeable chunk of those expenses, even though they received only a very tiny portion of the overall national vote.

It does not sit well with me nor with many other Canadians that we are reimbursing expenses to parties that do not get more than a handful of the overall votes. I am not advocating the restriction of the electoral system here, far from it. I am only suggesting that it is about time we started to apply some fiscal restraint to our electoral system just as we are to the rest of the functions of government.

Parties should in no way be limited from forming or running as many candidates as they can muster. Parties should be allowed to spend as they see fit within the current rules set out by Elections Canada. Parties that do not command a significant share of the vote should not expect the Canadian taxpayer to cough up money to pay their bills.

I need to correct myself. We want 2 per cent of the total votes cast which in the last election would have worked out to 270,000 votes or thereabouts. The earlier figure I used was a theoretical

number based on the actual number of people who could have cast a ballot.

The reimbursement of election expenses should be a privilege enjoyed by those parties that have demonstrated they have the support of a significant proportion of Canadians. It is that simple.

What Bill C–319 seeks to introduce is fairness and fiscal restraint in the electoral system. We all know that fiscal restraint is absolutely essential in Canada today. We want political parties to demonstrate that they are deserving of any benefits they might derive from the taxpayer. We want them to show that they have support at the ballot box before they get the support from tax dollars. It is really all about fairness.

If a party deserves to be reimbursed because it has support among the people, it will be. If, however, a party is using the electoral system in this country as a soapbox for personal or questionable exposure and the people ignore it, then it should pay its own bills.

Again, I am not suggesting that we limit participation in any way. It is just that parties that do not command a certain level of support from the voters should not expect those same voters to bail them out with tax dollars. It is about being fair, responsible and accountable to the taxpayer for the dollar spent.

I am pleased to offer my support to my colleague from Edmonton—Southwest in this Bill C–319.

• (1745)

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am highly interested in the bill introduced today by the member for Edmonton Southwest. I congratulate him on the fact that his bill was chosen. I hope that today, or at a later date, the House will adopt the bill at second reading so that it can be referred to the Standing Committee on Procedure and House Affairs which will study it, and maybe recommend a few amendments before sending it back to the House for concurrence.

[*English*]

The bill purports to put a minimum in place for contributions from the federal treasury for parties participating in elections. The hon. member has proposed a political party must receive at least 2 per cent of the votes cast in order to be eligible for the 22.5 per cent reimbursement allowed under section 322 of the Canada Elections Act.

The hon. member will be aware there is a fairly significant history in relation to this issue which might be of interest to him and other hon. members wishing to participate in the debate today. The Lortie commission, the report of the royal commission on electoral reform and party financing, recommended registered parties that receive at least 1 per cent of all the ballots cast be reimbursed at a rate of 60 cents for each vote received provided that no party would be reimbursed at an amount greater than 50 per cent of its electoral expenses.

This increase proposed by the Lortie commission rewarded parties that received a large number of votes in proportion to the number of votes they received and also increased the rate for the major parties so they would get more money because there was a recognition that at the national level Canada's national parties are generally short of cash, particularly those not forming the government.

There was a recognition by the royal commission that the governing party had an easier time raising funds than parties in opposition to the government. In part to offset that the commission recommended this rather generous reimbursement procedure but based on votes so that only a party that was fairly successful in the polls would receive a substantial chunk of money.

The hon. member will know there were extensive discussions between the parties about the Lortie recommendations. In the last Parliament I had the honour to be a member of the special committee on electoral reform which dealt with the Lortie proposals in some detail and came up with a series of reports tabled in the House. One of the reports resulted in the adoption of Bill C–114, an act to amend the Canada Elections Act, in the last Parliament. The other major report from the committee was never acted on by the government prior to the dissolution of Parliament and accordingly this issue, as were some others, was left untouched.

The committee, composed with representatives of the three recognized parties then in the House, the NDP, the Progressive Conservative Party and the Liberal Party—the Progressive Conservatives of course had a majority on the committee—was unable to agree on the Lortie commission proposal.

While it was something that would have been palatable with our party, the New Democratic Party in particular found it offensive because it would have received far less money than under the current legal arrangements. The Progressive Conservative Party, looking at the polls, was very nervous it might also be disastrous for it and so it was not very keen on it.

I say with some pride the Liberal Party has always done well in the polls, whether in opposition or in government. Hon. members opposite laugh but it has been a fact for really all of this century that we would have come out reasonably well on any scenario with this arrangement. Other parties were more apprehensive and based on the election results in 1993, I can understand their apprehension. We all know the New Democratic Party took a terrible whipping, although well deserved, and the Progressive Conservative Party similarly was thrashed, and very properly so.

They would have felt this rule in a very harsh way had they adopted it before the election, which this party would not and had not in any election. With all the elections it has lost in this century it still would have done all right under a rule of this kind.

• (1750)

I now want to turn to what the committee did. The committee came up with another way of enriching the parties a little, and that was to increase the reimbursement from 22.5 per cent to 25 per cent and simply leave the rules as they were. That was the only deal we could make which every party agreed on and it was part of a package which included other changes to the financing of political parties. Of course none of it was enacted.

I do not mind telling hon. members opposite one of the points the government was very anxious to include in the bill was a restriction on the minimum number of votes one had to receive in order to qualify. The government was very anxious to put in place a figure which I think was around 5 per cent. That would have put at risk various other parties that were more regionally based. When I say that I look at the two parties in opposition because both of those parties come from a fairly regional base. I think the hon. member for Edmonton Southwest would concede the Reform Party is not strong in Quebec or in Atlantic Canada.

We resisted that at the time because we felt if we were to have a regional basis to the parties it was unfair to stack the deck against the establishment of new parties and we were naturally somewhat concerned about that. Therefore we resisted and I think I can safely say from the point of view of hon. members opposite it is probably just as well we did.

However, that is history and certainly from a theoretical point of view there was no objection on our part to putting some minimum number of votes obtained in place. Therefore, to have this bill before us today and allow the committee to study it is very important. I support the hon. member in that objective.

However, I cannot let the opportunity pass without commenting on the 2 per cent figure. It strikes me as being rather low. In South Africa and in Germany where there is a system of proportional representation, in order to qualify to get any seats in the legislature they have to have at least 5 per cent of the votes. That is my recollection. That is to get seats, let alone reimbursement.

In our country we can win seats in Parliament in one or two places, as we had with the Reform Party which had one member in the last Parliament, the hon. member for Beaver River, who was here throughout that Parliament. With a modest number of votes in a general election a party can still have seats in the House. We have two areas in which there is reimbursement, at the national party level and at the constituency level. If one is successful at the constituency level, money is paid to the successful candidates and to the other candidates who run well.

In looking at the 2 per cent figure I cannot help but look at the results of the 34th general election, the 1988 election. Eight parties ran in that election which would not have qualified using the rule of the hon. member for Edmonton Southwest. They all had less than 1 per cent of the vote. However, the one party over 2 per cent was the Reform Party. That party received 2.09 per cent of the vote in 1988. It is an extraordinary coincidence that 2 per cent is the figure which the hon. member chose because of course it saved the Reform Party based on the 1988 results. I am sure he did not look at the results to come up with the figure, but perhaps a researcher did.

While it has initial appeal, I think a little higher figure might not be inappropriate. I would have hated to see the Reform Party cut out of the financial jackpot if we had put it too high in the last election. I cannot remember if that party broke 5 per cent. I would want to look at a higher figure in committee. I served notice to that effect and I certainly look forward to hearing the witnesses the committee is able to call on this bill, should the House in its wisdom decide to give the bill approval in principle at second reading.

There are lots of ways to skin a cat, as they say, and I think there are many ways we could seek to improve Canada's electoral law with respect to the reimbursement of political parties. I am glad to see the Reform Party by this bill is adopting the principle that the state does have an important role to play with respect to the reimbursement of political parties because that is certainly something we have regarded as fundamental for some time and on which occasionally I have heard statements. I cannot say I have read the little blue book, but I have heard statements that make me wonder if the Reform Party really is committed to this principle.

• (1755)

I assume this bill put forward by the hon. member for Edmonton Southwest has some approval from the powers that be in his party, including the member for Calgary Southwest who I gather has some say in these matters, that this is okay and this principle therefore is satisfactory.

I am glad to support the principle. I hope we can work out a series of rules that will be fair not just to the parties currently in the House but to other parties formed in Canada and also to the Canadian taxpayer.

The problem with the current system is it encourages parties that are registered and fielding the requisite number of candidates to spend as much money as they can. As long as they spend 10 per cent of their limit, I believe, they become entitled to a reimbursement of 22.5 per cent of their expenses no matter how

many votes they get. I agree that is wrong. There should not be an incentive to spend.

In my view, the money paid should be based on some other principle, whether it is on the number of votes received or on a minimal number of votes one must get in order to qualify for the expense. Something needs to go into the law.

I quite agree with the hon. member in bringing this forward. I would be glad to support the bill at second reading in order that the standing committee may do a detailed study on the proposal.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, it gives me great pleasure today to represent the official opposition in this debate on Bill C–319. Before I start, I would like to salute and thank the members who are constantly striving, through their work and reflection, to improve the elections act and the way our tax money is managed, with a view to reaching a very significant goal, namely the representation of the people.

On behalf of the official opposition, I would like to give a point of view based solely on democratic principles in action. The purpose of this bill is to allow only those registered parties that have received 2 per cent of the total number of votes cast in a national election to receive a 22.5 per cent reimbursement of their election expenses.

We believe that this new provision of the Canada Elections Act will result in making it more difficult—and I especially stress more difficult—the emergence and survival of a variety of political formations which often reflect political diversity and a rich and vibrant democratic life.

I do understand the underlying principle of the bill, which is to avoid reimbursing part of the election expenses of groups or factions formed to campaign in favour of a political idea shared by a tiny minority. I believe that this bill is aimed at the Natural Law Party, for example. We have no intention of launching into an endless debate, even if I am opposed to the principle of the bill. Again, I understand the bill's objectives. It could, however, set a dangerous trend for democracy in Quebec and Canada.

Since a political party is already required to nominate at least 50 candidates to be registered, which I feel is enough to confirm how serious a political formation is, why should it also be required to receive at least 2 per cent of the total number of votes cast in an election to be eligible for a 22.5 per cent reimbursement of its expenses? Preventing the wasteful use of public funds to promote silly ideas during an election campaign is one reason, but it is not enough to convince me that this bill is justified.

In my opinion, this bill is strangely reminiscent of Bill C–229 tabled by the Reform Party, which would require a political party to nominate candidates in at least seven provinces in order to be registered. I think that both these bills are similar to the extent that they both seek to limit the expression of democracy in Canada.

Make no mistake. This is a discussion about principles, a discussion that could lead us in this House to debate the relevance of the multiparty system at the so–called "national" level.

• (1800)

Bill C–229, which required a political party to nominate candidates in at least seven provinces that have, in the aggregate, at least 50 per cent of the population of all the provinces, was nothing short of undemocratic. We regarded it as an insult to democracy, because it denied Quebec's right, as a distinct society, to have its own representatives in the federal legislature.

In Canada, the multiparty system is also a matter of regional representation, and that is what the bill denied. In the past, several political parties have been active on the Canadian scene while based only in one province. As early as 1920, members from other parties started to be elected to the House of Commons in relatively large numbers and with enough support and credibility to influence the democratic system. In the 1930s, the Social Credit and the Commonwealth Cooperative Federation, for example, represented very special interests, and their demands and aspirations were in no way national in nature; these were movements created by Western farmers to protest the excessive taxation powers of a highly centralizing federal government.

So, why limit access for the political representation of minority views and amend the Canada Elections Act if not to prevent Quebec in particular from voicing its rejection of the old national parties, the people commonly referred to as the Grits and the Tories?

Let us be clear. The introduction of such restrictions on the exercise of a democratic right in the Canada Elections Act would mean the end of the multiparty concept in the Canadian electoral system. We feel that the provision requiring that a party gets 2 per cent of the votes to have part of its expenses repaid is a restrictive measure.

Such bills promote the emergence of a one–way political life, of a biparty system essentially dominated by two parties taking turns to defend the same interests and the same vision of a very centralized Canada.

The biparty system does not reflect the geographical reality of Canada. Our country is part of a continent. Each region of that continent is a country in itself, with its language, its character and its cultures. In that context, we feel that the Canadian culture is a myth.

The two party system can no longer reflect reality across the continent; the rout of the Conservative Party of Canada in the last general election is proof of that, even though the hon. member for Sherbrooke is trying like the very devil to resurrect his party.

Mr. Ostrogorsky, one of the fathers of modern political analysis, condemned—and this democratic approach is important—what he called the "perverse effects of a mechanical democracy". He was referring to the two party or one party political regimes under which the democratic life looks somewhat mechanical and loses all its meaning. "The ongoing nature of parties is the basis for the development of the machine and disturbs the workings of democracy", he wrote. Therefore, the appropriate solution to the problem of parties appears obvious. He felt that we have to get rid of the use of rigid and permanent parties, whose only goal is to gain central power. Where I come from, we say that it does not make the slightest difference whether the Tories or the Grits are in power.

We should go back to the true nature of political parties, that of groups of citizens formed to promote certain policies. The author describes political parties as forums where all those who are trying to solve a given problem or reach a given goal have a role to play and an opinion to voice on each and every issue. They are a kind of comprehensive and regional association.

He writes: "In countries with a bipartisan system like the United States, Great Britain—and Canada, I should add—political debate all but disappears. When the discussion revolves around the vision of the Tories or the Grits, we end up nowhere. Real debates on social issues take place outside the political parties".

• (1805)

So, he makes the basic and implicit assumption that there is no universality in the differences of opinion within our society and that our conflicts and differences cannot be resolved by a single entity.

The last general election proved that the two major parties, the Conservative and the Liberal parties, the Tories and the Grits, are no longer alone in the Canadian political arena, which is being redesigned according to regional considerations that have nothing to do with the concept of a Canadian nation. To us, any measure aimed at limiting the expression of political differences at the continental level is inconceivable.

This is why the Bloc Quebecois, the official opposition, is against this bill and wants to point out during this debate that we are now faced with a new democratic approach which recognizes the fact that, since the last election, there is no longer a truly national party in Canada. We have well–represented regions, which clearly indicates the goals we have to reach.

[*English*]

Mr. Ron MacDonald (Dartmouth, Lib.): Madam Speaker, I am glad to be here today to debate this private member's bill.

Private Members' Business gets far too short a shrift in this Parliament as it did in other Parliaments. It is a time for private members who do not get to set the legislative agenda of the government, both on the government side and indeed in the opposition, to come forward with pieces of legislation that they believe will fix things that are wrong.

Some of Private Members' Business is inherently partisan, which is fine; that is the nature of the beast in this place. Some seeks to try to get some consensus and camaraderie around the Chamber with respect to principles, goals and ideas.

I do not support the bill in its entirety but I do understand the direction the hon. member is trying to set. Having run in two elections and having run election campaigns in a number of elections prior to that, I know it is extremely difficult as a candidate or as a campaign manager when one gets individuals or indeed parties that form for a very frivolous reason the intention to go out and paint everybody else who has a legitimate political belief as somehow ripping off the system.

We have seen that all the time. The Rhinoceros Party and some other regional parties form for the sole intention of trying to make some fun out of the very serious business of politics. It is difficult as a candidate when that happens. However, one has to be extremely careful when one starts introducing pieces of legislation whose impact may be to limit entry of legitimate political thought in our system. It begs the question of what is legitimate political thought. That is really in the ear or eye of the beholder.

One of the major problems I have with the bill and one of the reasons I could not support it in its current form, although I would support it's going to committee so that we can at least have some non–partisan debate not structured by our parties with respect to this issue, deals with the percentages. The reason I had difficulty with the percentages, and the hon. member will be interested in hearing this, is not so much that I am opposed to setting a benchmark below which a party is not deemed to be worthy of support by the taxpayers of Canada. I am worried for two reasons. One is that I firmly believe we have to do everything humanly possible to ensure genuine political debate is fostered, that it does not become the purview of the rich and the famous and those who can bankroll on their own.

The second thing we have to be very careful of is the minimums when one starts establishing in law certain parameters within which political debate and thought must be con-

ducted. Otherwise one will not be able to get the type of funding necessary, which in turn will thwart the fostering of new political thought, new political ideologies.

I did some quick math. In Atlantic Canada we have 32 constituencies. One thing that strikes an individual after getting elected, be they from Alberta, Nova Scotia, northern Ontario or Quebec, is the vastness of this nation. This is a wonderful piece of God's earth. Although from time to time we just deal with our troubles, it really behoves us to think about the enormity of the resource we have.

• (1810)

It is a regional country, like it or not. I am a regionalist. I believe the country is made up of a number of regions. We may have provincial boundaries that fit inside those regions, but most of all it is a country of regions.

In Atlantic Canada many times we have voted differently than the rest of the country has. I remember back in 1984 when the Conservative Party first came into power there was a sweep across the country. The sweep was not nearly as complete in Atlantic Canada. In 1988, while the Tories enjoyed a second electoral victory, in Atlantic Canada the tides turned. Atlantic Canadians moved away from that governing party in a larger percentage than any other region of the country.

An hon. member: We are awfully smart.

Mr. MacDonald: We are awfully smart and perhaps that is it.

Different regions may find different political ideologies appealing for whatever reason. In Atlantic Canada we have 32 seats. We are a vital part of the nation. We have the great province of Newfoundland. We have Prince Edward Island, the birthplace of Confederation. We have the bluenosers from Nova Scotia and the herring chokers from New Brunswick. We have 32 wonderful constituencies and four tremendous provinces as part of this great country.

The Tories did not do terribly well in the last election, as we know, right across the country. In Atlantic Canada they did not do terribly well either. The message of the Reform Party was so objectionable to the people in Atlantic Canada that people who could not see their way to vote for the Liberal Party stayed with the Tory Party, knowing their vote would be lost, that the Tories would not get another term in office. They could not go with the third option, the Reform Party. They will never go with the Reform Party. That will never be an option down there.

The Tories did exceedingly well with respect to how they did in other parts of the country. They got wiped out as well there, with the exception of the member for Saint John, the former mayor, who perhaps most days wishes she had not been so lucky to win that night.

In Atlantic Canada the rough math tells me that the Tories in 32 seats polled about 290,000 votes. That is pretty close to the two per cent limit set out in the bill. I do not have them all marked, but I will run through the percentages of votes cast that Tories received in all of the ridings in Nova Scotia: 20 per cent, 8, 22, 11, 32, 36, 23, 20, 23, and 32.

I do not throw those numbers out to say the Tories are a viable alternative now or in the future. I throw them out to show they did still garner a significant vote because the Reform Party's message was not saleable in Atlantic Canada in the last election. It probably never will be.

Mr. Epp: You wait, you'll see.

Mr. MacDonald: The hon. member for Delta knows of which I speak.

There are 32 ridings in Atlantic Canada. The Tories scored fairly well, better than they should have and better than they did on the national average. Yet if that were a regional party in Atlantic Canada it would have garnered only about two per cent of the vote nationally. I have a problem with the percentage. Two per cent is probably too high, and perhaps the percentage should be lowered to about one per cent.

Another concern is with respect to the establishment of minimums. When we establish minimums, many times they become maximums. Perhaps down the road, if this bill is fortunate enough to gain the consent of the House, people might say there is a precedent that there have to be certain criteria before you are deemed to be a legitimate political party in Canada. It may also be that at some point you must win seats in more than one province or more than one region before you get a political rebate.

I know that is not covered in the member's bill. I worry that at some point, unless a bill like this is crystal clear and the the debate is crystal clear leading up to the adoption of such a bill, somebody would try to use it as a precedent to do those certain things.

• (1815)

I do not support our colleagues in the House who represent the Bloc Quebecois. I believe that deep down they are good individuals but they are terribly misguided with respect to their desire

to take the great province of Quebec, la belle province, out of the great Canadian Confederation.

However, they have a legitimate right as a political party to voice their concerns, to go out and seek support in a general election through the democratic process. I would not want to see at some future point even separatists in the province of Quebec somehow trying to use a restrictive bill like this which seeks to put parameters on legitimate political parties for the purposes of rebate to stifle political thought they found to be objectionable.

I commend the hon. member for putting thought into this bill and I hope it does go to committee so it can get some fuller debate at committee.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, I congratulate the member for Edmonton Southwest on Bill C–319. It is very obvious the debate has started members thinking about a very important issue.

I will approach it in a slightly different way. One of the issues it raises which is so important in our electoral process is appearances. I remember my own election campaign, which was a first experience for me since I had never run for election before, going to all candidates meetings in which there were the five major parties represented as well as another four candidates from very minor parties.

I do not reject the right of groups to try to run as national parties; I think it is fine. However, we have to draw the line somewhere. At these candidates meetings I found myself with the candidates from the other major parties speaking on issues, then having to waste my turn while these very minor parties spoke. In the case of the Natural Law Party—its members will forgive me for saying this—their platform which had to do with levitation did not really seem to fit seriously into the issues of the day.

While I agree they had the right to speak and the right to run as parties in the election, they did dilute the debate when we had our candidates meetings. They also diluted the debates when they appeared in the media. It has a responsibility to provide equal space to all candidates in an election. Perhaps the debate was not as good or as serious as it could have been. I agree we can do nothing about that.

On the other hand, I find myself supporting the member's bill on this point. If the public were to perceive, as it does, that anyone is eligible for compensation in running for election regardless of any limit in the number of votes they garner, it trivializes for them the exercise of candidacy, the exercise of running in a national election.

If the Natural Law Party wants to run for election, that is fine. If it wants to field candidates, that is fine. If it wants to use an election as a platform for promoting its particular agenda of metaphysicalism or whatever it is, that is fine too. It becomes a problem when the public perceives it is funding that type of group. This is the difficulty.

It is the same with all the other parties as well. If the public perceives a group is out promoting itself in a national election and does not have much support or has trivial support, and the government funds its election expenses because it can afford to put the money out there, then we erode our political system and the faith people have in the process.

I do support the principle of Bill C–319. We have to draw the line somewhere. Whether it should be 1 per cent, 2 per cent or 5 per cent, I cannot say. I actually rather like 2 per cent. Nine of the 14 parties that ran in the last election had less than 2 per cent of the vote.

• (1820)

It is interesting to run down the percentages of those nine. Beginning with the Abolitionist Party of Canada at 0.1 per cent, the next was 0.2 per cent, 0.1 per cent, 0.1 per cent, 0.2 per cent, 0.1 per cent, .01 per cent for the Marxist–Leninist Party of Canada. It is not doing well. Then we go on to 0.6 per cent and 1.4 per cent, which was the National Party of Canada which I happen to agree had a message.

I agree with the intention of Bill C–319. The line has to be drawn somewhere. I do not know if this bill is the answer. As the member for Dartmouth and others mentioned, we should bring this to committee for further debate. In the final analysis I do not think it will affect regional parties. We will still be able to go forward with certain amendments to the bill which will make the process more efficient.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

And the bells having rung:

Mr. Boudria: Madam Speaker, there have been conversations earlier this day among party whips. If you would seek it you would find unanimous consent that the vote be deferred until tomorrow at 5.30 p.m.

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): Shall I call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

WORLD BANK AND INTERNATIONAL MONETARY FUND

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, on May 8 I asked the hon. Minister of the Environment and Deputy Prime Minister whether the G–7 leaders at the June meeting in Halifax will discuss the important issue of making the World Bank and the International Monetary Fund environmentally sustainable institutions.

At present, the lending programs of international financial institutions, including the World Bank and the International Monetary fund, provide mostly developing countries with over $30 billion a year in the form of loans. Too often these loans fail to take into account environmental and social considerations as in the case of dam construction.

• (1825)

Closing the gap between the rich developed nations and poor developing countries must remain the principal goal of the World Bank and the International Monetary Fund. We all agree with that. However, these institutions and their initiatives in developing countries must aim at alleviating poverty while protecting the environment. That is where the point needs to be made.

In the case of the International Monetary Fund, we feel that instead of relying predominately on economic considerations, economic and environmental goals should be integrated.

As to the World Bank, while it has made some progress toward greater accountability, it still has a long way to go to fully incorporate sustainable development principles into the decision–making process. Furthermore, at every opportunity the World Bank should ensure that the principles of international

environmental agreements such as the convention on climate change and the one on biodiversity, to mention two, are upheld and reinforced by its decisions.

It is my understanding that the Prime Minister intends to discuss the role of international financial institutions at the next meeting of the G–7 in June in Halifax. Therefore, in that context I would like to ask the parliamentary secretary whether he can inform us whether the urgency of incorporating the principles of sustainable development into the activities of the World Bank and the International Monetary Fund will be discussed there.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Madam Speaker, first let me say that the meeting hosted in Hamilton by the Deputy Prime Minister and the Minister of the Environment for the G–7 environment ministers reached substantive recommendations and conclusions.

With respect to the question of international institutions, the ministers looked at two different aspects. First, they discussed the roles and responsibilities of the primary international institutions that address the environment and sustainable development. The ministers agreed that the United Nations environment program should be reinforced in its efforts to be the global environmental voice, while the United Nations commission on sustainable development, created just over two years ago in the aftermath of Rio, should continue to evolve as a key political and policy forum to promote sustainable development principles and practices worldwide.

With respect to international financial institutions, the ministers agreed that the World Bank should place sustainable development at the top of its list of priorities and that it should operate on a much more open and transparent basis. Plans for projects funded by the World Bank should demonstrate how the principles of sustainable development will be promoted and how local participation will be a basic part of the process.

The ministers also called on the International Monetary Fund to take environmental considerations into account in its structural adjustment programs. They also called for continued work from the new global environmental facility, the GEF, on providing funding for global environment priorities and noted the important role that private capital flows will play into the future. They also indicated their intention to work with the new World Trade Organization to make sure the environment is a fundamental part of its work. In this regard, let me signal the initiatives recently taken by UNCTAD and UNEP in focusing on the environment and the economy.

The important outcomes of the Hamilton meeting of environment ministers are being provided to the preliminary process for the Halifax summit. I am certain that any consideration of financial institutions that might take place in the context of the

Halifax summit will be well informed by the views of the Hamilton meeting, which will flow into the Halifax summit.

• (1830)

[*Translation*]

INTERNAL TRADE

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, during a previous question period, when addressing comments regarding Bill C–88 to the Minister of Industry, I suggested that Bill C–88 contained provisions which go far beyond the agreement on interprovincial trade, which gives each party recourse to retaliatory measures.

Bill C–88 appropriates powers to the federal government which were never discussed during the negotiations leading up to the signing of the agreement on interprovincial trade last summer and is also indicative of, we feel strongly, the federal Liberal government's extremely strong will to centralize trade relations with its partners. The current trend in international trade is to give regions more political autonomy and to establish economic unions, not to create big federations with rigid centralizing constitutions, like the Canadian federation, which is given an inordinate amount of power to take retaliatory measures.

The primary goal of the bill is to implement the Agreement on Internal Trade, not to permit the federal government to implant itself as the supreme power on interprovincial trade. Do not forget that the Bloc Quebecois has always been in favour of liberalizing trade in this way, which, at any rate, is the framework within which all modern states must develop. Therefore, we do agree with the agreement in principle.

The way we understand the provisions of this agreement is that, if the federal government is the slighted party in a trade deal covered by the agreement, it has the means to take retaliatory measures. By the way, so can any other party to this agreement. However, that is not what is written in Bill C–88.

Why not? Because clause 9 of the bill goes over and above the intent of the agreement. This is quite straightforward. Clause 9 reads as follows: "For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order—but the other parties may not—"

The bill refers to orders, which cannot be taken lightly. None of the other parties have this authority. Orders are used by totalitarian governments to subdue the other parties. It says in this bill that the Liberal government wants to govern by order under this agreement on interprovincial trade. Are we looking at a dictatorship? That is the question.

In this context, according to the wording of Clause 9, when one of the parties is found to be at fault pursuant to Article 1710 of the Agreement, the federal government—and it alone, among all the parties—whether or not it is a party to the dispute, assumes the right to impose retaliatory measures on all the provinces, without exception.

In this bill, the federal government demonstrates its determination to act as judge and jury in the area of interprovincial trade, to introduce its exclusive authority to act by order in council and to extend the application of any federal law to the provinces—

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, the questions raised by some members on Bill C–88 last week stem from an inability or an unwillingness to understand the plain meaning of the text of the bill.

The Minister of Industry was quite clear in responding to questions in the House on May 5. Perhaps repetition at this time will help the hon. member.

Only in rare cases would the federal government be a complainant in the dispute under the agreement on internal trade. If a dispute were resolved in favour of the federal government and if the province involved refused to comply with the impartial panel findings, then the federal government could withdraw benefits of equivalent effect. Such retaliation would have to be in the same sector as the original violation or in another sector covered by the agreement. Retaliation could not involve transfer payments or social programs because those things are not covered by the agreement. Anyone who takes the time to read the head notes to section 9 of Bill C–88 and article 1710 of the agreement on internal trade can verify the accuracy of what I have just outlined.

• (1835)

Remarks by Quebec premier Parizeau and Quebec industry minister Paillé on May 9 and May 10 suggest they had not bothered to do so before speaking on the issue. The repeated expressions of concern in this question by BQ and PQ representatives suggest they are unable or unwilling to understand plain and clear language.

Bill C–88 deals only with what the federal government must do to live up to its obligations under the internal trade agreement and nothing else.

At the April 12 meeting of the committee of ministers on internal trade, the Minister of Industry advised his provincial colleagues of the steps the government intended to take and that legislation would shortly be brought before Parliament.

Premier Parizeau has unequivocally supported the agreement and stressed the importance of free trade within Canada. He reaffirmed on May 9:

[*Translation*]

"The change in government in Quebec City has changed nothing. We believe in free trade".

[*English*]

I am sure all Canadians look forward to seeing what those governments that claim to support internal free trade actually do in concrete terms.

GASOLINE PRICES

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, in late April gas stations across Canada raised prices as much as 10 cents a litre. It was the sixth price increase of gas in 11 months.

These increases excluding tax increases represent a 20 per cent increase in the price of gas to consumers. What is even more startling is that oil companies have seen a 40 per cent increase in their revenues once taxes are factored out in the same period.

There has been no reasonable justification by the oil companies for these repeated increases. Each year since 1991 the average daily price of crude has declined. Crude prices today are virtually the same as they were a year ago with the 11 months in between seeing lower prices.

The profits of the major oil companies including Imperial Oil, Shell and Petro–Canada have increased each year over the past three years. In 1994 Imperial Oil profits went up 29 per cent; Shell went up 43 per cent and Petro–Canada went up 62 per cent.

When gas prices have risen they have risen uniformly from company to company in each region within hours of each other. Consumers are outraged and believe strongly that they are again the victims of price gouging at the pumps and price fixing by the oil companies.

This latest series of price increases is nothing more than a cash grab by the major oil companies that monopolize the industry.

In a recent court case in Ottawa a gasoline retailer, Mr. Gas, admitted communications between gasoline retailers are common in the industry when setting prices. What this means is if smaller chains set prices, certainly the majors do.

This latest increase in gas prices represents an extreme polarization of power and wealth into one sector, multinational oil companies. This increase is also extremely bad timing for farmers who are seeding their crops.

The increase is injuring Canada's economic recovery and must be addressed. Every two–cent increase costs Canadian $750 million a year. These recent increases of six cents will take over $2 billion out of the Canadian economy in one year.

The federal government must intervene in arbitrarily rolling back gas prices until a full energy price review can take place to ensure these increases are fair and justified.

In my question to the Minister of Industry on April 28 and on May 3, the minister commented: "When the prices are the same, it is consistent with both competition and price fixing. Therefore how do you know which it is?" I suggest that if one does not know the difference that in itself demonstrates the need to conduct an investigation.

The House of Commons is elected to ensure Canadians are not victims of the marketplace and to ensure the interests of Canada are protected. A gas price review would send a clear message to the oil companies and to Canadians that in a key economic sector such as energy fairness must prevail and significant price increases must be justified.

The setting of energy prices is no different than the regulation of communication services. When Rogers cable or Bell Canada want to increase prices, the CRTC reviews their request to ensure they are fair and justified. Having the oil industry justify its increases is no different. Gas prices are viewed by the public as being set unfairly and unjustifiably and must be reviewed and regulated.

The government has the power to question industry on its pricing practices and to create new laws that would demand gas price increases be made only after justification.

Why do the Liberals refuse to act in the best interest of Canadians? The federal Liberal Party receives substantial donations from the oil companies. Husky Oil donated $14,000; Amoco, $27,000; Imperial Oil, $47,000. Is this the reason the government will not conduct an investigation into gas pricing? Is the Liberal Party concerned it will offend its top party donors? He who pays the piper calls the tune. The government—

The Acting Speaker (Mrs. Maheu): I am sorry, the time has expired. The hon. Parliamentary Secretary to the Prime Minister.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I take this opportunity to respond to the hon. member for Regina—Lumsden on his question concerning the uniformity of gasoline price increases across Canada.

As the matter involving an Ottawa gasoline retailer is presently before the court, it would not be appropriate to comment further on that case.

No federal government agency has the authority to regulate gasoline prices. It is within the jurisdiction of the provinces. In 1994 the Minister of Industry asked the director of investigation and research at the Bureau of Competition Policy to review the provisions of the Competition Act. His report stated the Competition Act is adequate to address concerns about anti–competitive behaviour and that amendments were not required at this time. The report is public and I encourage concerned members to read it.

At the suggestion of the hon. member for Ottawa Centre we are presently studying the implications of introducing whistle blower legislation to protect industry insiders who provide information about anti–competitive behaviour in the petroleum industry. The act empowers the director to investigate allegations that prices have been set as a result of anti–competitive behaviour. Where evidence exists of a criminal offence the case is referred to the attorney general for prosecution.

It is important to realize this is criminal law and offences must be proven beyond a reasonable doubt. In the petroleum products sector uniform price increases may be the result of normal market forces; the visibility of posted prices and the homogeneity of gasoline tend to result in identical prices in a given market. It is very easy to immediately respond to a competitor's price movements up or down.

Gasoline prices should be set by competitive market disciplines. When there is evidence of anti–competitive behaviour the Competition Act authorities will take appropriate action. People with information about anti–competitive acts should bring the information to the attention of the director.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.42 p.m.)

HOUSE OF COMMONS

Wednesday, May 17, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

CLIMATE CHANGE

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, today we have the very special honour of having the presence in Ottawa of Western Samoa's High Commissioner to Canada, the permanent representative of Western Samoa to the United Nations, His Excellency, the distinguished Neroni Slade.

His Excellency has just returned from Haines Junction where he addressed federal, provincial and territorial ministers of the environment on the real threat climate change poses to the very existence of Western Samoa and other small island states.

Later this afternoon he will also speak at a joint meeting of the Standing Committee on Natural Resources and the Standing Committee on Environment and Sustainable Development about this critical issue.

Hence it is with great pleasure that I take this opportunity to welcome to Ottawa our distinguished guest on behalf of all members of this House.

* * *

[*Translation*]

PROFESSOR PIERRE DESLONGCHAMPS

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I would like today to honour chemistry professor Pierre Deslongchamps of the University of Sherbrooke and offer him our warmest congratulations on his appointment to the Académie des sciences in Paris.

Known for his work on organic synthesis and on the concept of stereoelectric effects, Mr. Deslongchamps has been a professor at the University of Sherbrooke since 1967. The Académie des sciences in Paris is one of the world's most prestigious societies in the world and brings together top researchers in the fields of mathematics, physics, chemistry, natural sciences, biology and medicine. Its members are the 20th century's greatest scientific minds.

A highly respected scientist, Mr. Deslongchamps has been a fellow of the John Simmon Guggenheim foundation in New York since 1979, a member of the Chemical Institute of Canada since 1980, a member of the Royal Society in London since 1983, and a member of the American Association for the Advancement of Science since 1988.

Professor Deslongchamps' international reputation brings honour to the University of Sherbrooke, the Eastern Townships and the Province of Quebec as a whole.

* * *

[*English*]

ROYAL ROADS MILITARY COLLEGE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, Royal Roads Military College located in my riding is closing this week and is being gutted.

In this House the Prime Minister assured me that Royal Roads would become an educational facility and would receive the same deal as Collège militaire royal in Quebec. The reality has been completely different.

CMR received $25 million over three years. Royal Roads received the same, but had $5 million promptly removed. Conditionality was linked to the deal on Royal Roads but not to CMR. Most appalling of all, ministers of this government are having secret negotiations with developers to sell up to 300 acres of pristine old growth of Royal Roads property for a condominium development.

The treatment of the staff at Royal Roads has been nothing short of reprehensible. Previous educational facilities purchased by the college, including the school's oceanographic teaching vessel, have been removed. No such parallel exists at CMR.

This government, in collusion with the province, is destroying this superb educational facility. Despite what the Prime Minister says, CMR in Quebec has been given preferential treatment and Royal Roads and the people of B.C. have been shafted.

S. O. 31

INTEREST RATES

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, once again we are seeing the Canadian dollar fluctuating on any given week. Last week the dollar surged to a half year high of more than 74 cents U.S. This week the dollar has lingered near the mid–73 cent level.

The Bank of Canada's response is to once again jack up its rate for the first time in almost two months. High interest rates are having a devastating effect on our economy.

For more than a year and a half I have consistently been emphasizing that we must have lower interest rates. The interest rate must come down even if we are faced with a slight increase in inflation. The bogeyman of inflation did not succeed before; it killed the growth of our economy.

A country that is fully employed with some inflation would be better than what we have now. We have a 9.4 per cent unemployment rate that does not include 700,000 part time workers who cannot find full time jobs. We have a triumvirate of destruction of the economy in this country namely—

The Speaker: The hon. member for Ontario.

* * *

"THE MAGIC AND THE MYSTERY"

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, I wish to draw to the attention of the House the case of Ms. Susan Shewan. Ms. Shewan, who is a constituent of mine, is also a musician and songwriter of considerable talent.

Unfortunately she is involved in a protracted dispute with Canadian Airlines International and the Government of the Yukon Territory over the alleged unauthorized use of a future album cover drawing, lyrics and music related to Ms. Shewan's song "The Magic and the Mystery".

The drawing, lyrics and music from this song about the beauty of the Yukon are similar to items used in certain advertising and promotional material by both CAI and the Yukon government.

As a single parent with limited finances, Ms. Shewan does not have the resources to pursue a lengthy and protracted legal action to protect her copyrighted material.

I call upon the Yukon government and Canadian Airlines International to respect the intellectual property laws of Canada and Ms. Shewan's copyrights to her original works and resolve this outstanding matter forthwith.

MISSING CHILDREN

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, each May, Child Find Canada holds its Green Ribbon of Hope campaign. The aim is to increase public awareness about Missing Children's Day on May 25.

Community members are asked to show their support of the missing children's issue by prominently wearing a green ribbon. Proceeds generated by the green ribbon campaign will enable Child Find Canada to continue its mandate of assisting in the search process for Canada's thousands of missing children and the education of children and adults about abduction.

The concept of the green ribbon of hope was originated by the students of Holy Cross Secondary School in Ontario following the abduction and subsequent murder of one of its students, Kristen French. In memory of this tragedy, the students and faculty have generously directed that their idea for the green ribbon be used exclusively by Child Find Canada.

• (1405)

Child Find Canada receives no government funding, depending entirely on the corporate community and the Green Ribbon of Hope campaign. For the sake of our children, I ask all members to support this very worthwhile program.

* * *

B'NAI BRITH CANADA

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, B'nai Brith Canada is our country's senior Jewish advocacy organization with a 120–year history.

Through its lodges, regional offices, League for Human Rights and Institute for International Affairs, it has built a national and international reputation for service to the community, promoting human rights and fostering tolerance and respect among all Canadians. It has been a world leader in the fight against racism, anti–Semitism and discrimination.

A grassroots membership organization, it has served the Jewish community and Canada with distinction on issues such as immigration and refugee policy, law enforcement, international human rights, the treatment of Jewish communities overseas, intergroup relations in Canada, as well as a host of charitable activities and voluntary action.

On the occasion of its annual meeting in Ottawa this weekend, I urge all members of the House to join me in applauding the work of B'nai Brith and in wishing it future success.

[*Translation*]

INFORMATION HIGHWAY

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, yesterday, the Prime Minister offered Canadians direct access to him through Internet.

Unfortunately, in order to reach him, Canadians must subscribe to and use the services of an American company, CompuService, located in Ohio.

Why did the Prime Minister not use a Canadian network, which, in the opinion of experts, does exist and is currently available at no charge?

How can we believe a government that tells us it gives priority to Canadian content on the information highway when information on members and the House of Commons is being broadcast on the Internet from Switzerland?

The Prime Minister's electronic photo op yesterday sent a disquieting message to Canadians: in order to talk with their Prime Minister, they have to pay user fees to the Americans.

* * *

[*English*]

MINISTER OF THE ENVIRONMENT

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, last Friday, the environment minister said: "It is the first question on the environment in a year and a half".

We are now seeing why this minister has been such a failure as Minister of the Environment. She simply does not recognize an environmental question when she hears it.

How quickly the minister chooses to forget my recent questions regarding the clean–up of Canada's worst environmental disaster, the Sydney tar ponds in Nova Scotia, or my colleagues' questions regarding MMT.

When is the Minister of the Environment going to take charge and quit whining that her failures are due to the opposition? When is the minister going to take charge of her own department and pass some meaningful environmental legislation?

It is little wonder that the Prime Minister will be shuffling this minister off into oblivion come this summer. She is simply ineffective.

* * *

HIGHWAYS

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, some controversy has arisen relative to the diversion of public funds originally slated for the development of Nova Scotia highway 104.

This funding has now been redirected to a tourist trail in the riding of the minister of public works. In lieu of the original federal–provincial funding agreement for the upgrading of route 104, a toll funded highway is now being envisaged.

This is unacceptable. There have been 40 tragic deaths since 1986 in death valley. People's lives are far more important than developing a tourist trail.

Yesterday in this House the Minister of Transport told us that his government had permitted this diversion of public funds at the request of the Government of Nova Scotia.

Given that the highway improvement program calls for a written agreement in these cases, I call on the Minister of Transport to table all correspondence and documents relative to this backroom deal.

* * *

PUBLIC SERVICE

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, the proposed public service cutbacks are causing quite the stir across the country, particularly in Newfoundland, where the jobless rate remains unacceptably high.

In my riding for example, there is concern about the restructuring and downsizing proposals for Canada employment centres, and about the workforce adjustment policy, job security, seniority rights and the desirability of making departure incentives available to all employees.

Although the government has taken a step forward with its job swap offer, there still is a great fear that the level and quality of badly needed services will suffer at the worst possible time. I share those concerns.

• (1410)

With any changes in the status quo, the government must do everything in its power to ensure that fairness and equity prevail.

* * *

[*Translation*]

CANADIAN TULIP FESTIVAL

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, from today until May 22, the national capital region will again host the Canadian Tulip Festival.

To mark the opening of the festival, Her Royal Highness Princess Margriet of the Netherlands took part in a midday ceremony at Major's Hill Park to launch the 1995 edition of the festival. The festival also coincides with the 50th anniversary of the liberation of the Netherlands by Canadian troops.

This is a good opportunity to remember the thousands of Canadians who fought on Dutch soil and all those who died in the liberation effort. Again this year, the Canadian Tulip Festi-

val will probably stand out as one of the highlights of the national capital's tourist event calendar.

I wish the princess a most enjoyable stay in Canada, the organizers more clement weather than today, and a very good time to all those who will participate in the many activities scheduled.

I would also like to congratulate all the organizers and invite my colleagues to visit the festival in the coming days.

* * *

[*English*]

JESSE DAVIDSON

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, this Saturday a young man from my riding of London West will begin a remarkable journey. On May 20 on the TransCanada Highway at the Ontario–Manitoba border Jesse and John Davidson will set out together for the Quebec border on a route covering over 2,000 miles. They intend to arrive in September.

Jesse cannot walk. He is afflicted with Duchenne muscular dystrophy, a genetic disorder, and is wheelchair bound. John Davidson has vowed to wheel his son across the entire province of Ontario.

This remarkable undertaking is sponsored by the Foundation for Gene and Cell Therapy. The journey will raise public awareness about DMD as well as money so desperately needed for medical research.

Young people with DMD seldom live to see their twenties. Jesse is 14.

I urge all members of the House, particularly Ontario members, and all Canadians to get involved. I am proud to acknowledge the efforts of individuals who take action to make a difference not only for themselves but for all of us. It is now time to show our support for them.

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[*Translation*]

NATIONAL MARINE STRATEGY

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, the anti–worker attitude of Liberal members is reflected in every page of the report on the national marine strategy tabled by the Standing Committee on Transport.

The report contains many negative comments on the supposedly excessive salaries and on job security. On the basis of two recent disputes, the committee recommends that a commission of inquiry be made responsible for reviewing all aspects of labour–management relations. The Liberals are set to call into question a smoothly operating negotiation system in order to resolve a problem that exists only at the Port of Vancouver.

May I remind you that, since 1975, only 27 working days have been lost as a result of strikes or lockouts at the Port of Montreal, out of a total of more than 7,000 working days.

The official opposition strongly urges the Minister of Labour and the Minister of Transport to reject this recommendation by the transport committee, which calls into question the basic rights of workers in Canada and Quebec.

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[*English*]

TROUGH NIGHT IN CANADA

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, on Monday night Canadians saw a great game on TV. It was trough night in Canada. The game featured the Liberal pork patrons against the overburdened taxpayers. The Liberals were clutching and grabbing for their coveted MP pension trophy.

In the first period Liberals were given penalties for boarding, the gravy train that is. Another penalty was given for charging the taxpayer. The Liberal pork patrons went offside with Canadian voters. The overburdened taxpayer delayed the game and got five minutes for fighting and ten minutes for drawing blood. They will get the final score in the next election. When that comes the Liberal pork patrons will lose, the coach will be replaced and the team will be dismantled.

This game was brought to the people by greed incorporated, manufacturers of pork and patronage.

* * *

[*Translation*]

TAXATION

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, yesterday, the Quebec minister responsible for restructuring released a new study, this time on taxation.

In his press release, the minister claims that merging the two tax systems would permit Quebec to, I quote: "—reap many benefits". The minister stressed that taxpayers would have only one tax return to fill out, that they would have fewer officials to deal with, and that taxation measures would be harmonized and streamlined.

• (1415)

What is surprising is that the authors of this study made the conscious decision not to mention that Quebecers could already be reaping all of these benefits if the Quebec government would only agree to the changes already proposed by our government.

All of these changes could be made very easily within the current federal system and at a much lower cost to Quebecers

than those that would result from breaking away from Canada. But these are the kinds of things that separatists avoid mentioning.

* * *

[*English*]

ONTARIO ELECTION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, Premier Bob Rae said today that Ontario has 38 per cent of the population but is being hit with 54 per cent of federal government cuts. This is deliberately misleading.

When we subtract the equalization payments to the poorer provinces, which Mr. Rae has frequently said he supports, Ontario's share of federal budget cuts is 39 per cent for 38 per cent of the population.

Bob Rae should stop whining, take a few Rae days and get out of the way so Lyn McLeod and the Liberal Party can put Ontario's House in order.

ORAL QUESTION PERIOD

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, although somewhat late in the day, the Minister of Human Resources Development finally used some common sense and decided to give up his two–tier unemployment insurance system, with one tier for the seasonally unemployed, with reduced benefits, and the second tier for the rest, with more substantial benefits. However, there is still cause for concern, since the minister said he still wanted to make frequent claimants less dependent on unemployment insurance and planned to submit new proposals to cabinet very shortly.

Will the Prime Minister confirm that his government has definitely abandoned the minister's baby, and I am referring to the unemployment insurance reform proposal for a two–tier system, and is he prepared to make a commitment that the new proposals will not penalize frequent claimants, although the minister seems to be saying that he still has the same objective in mind?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for the question.

As the member knows, we had a wide variety of representations, studies and examinations. It was certainly recognized that the primary objective of UI reform must be to help people get back to work. We can use that system not simply to pay basic benefits but to also enable people to get the tools they need to restore themselves back in the labour market. That is still the primary function of our intention on unemployment insurance.

We saw with the various options we presented, one of which was the two tier proposal, that it would add complexity to the system and probably additional cost. I think we can find a much better alternative which will simplify the system and at the same time provide a much better set of work incentives for people to get back in the workforce.

We are still very much on target and on aim to enable Canadians to get away from unemployment and get into employment, the whole purpose of our reform.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I listened carefully to what the minister said in his answer, and after trying very hard, I think I understood the minister was giving up his plan. I want to commend him for doing so, since a minister who admits his mistakes gains in stature. Would that others followed his example.

Some hon. members: Hear, hear.

Mr. Bouchard: My question is directed to the Prime Minister, and I hope to get an answer from him. Since the government is about to review its unemployment insurance reform, will he promise to stop using the Unemployment Insurance Fund to finance new intrusions by the federal government in provincial jurisdictions, especially in manpower training?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Human Resources Development will table a bill this fall that covers all aspects of the question asked by the Leader of the Opposition.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, since the Minister of Human Resources Development claims he will stay the course, in other words, restrict access to unemployment insurance for frequent claimants, does this mean, and my question is directed to the Prime Minister, that the government's real objective is not to make the system more effective but to reduce costs by restricting access and reducing benefits, which means it will again be hitting hard at the unemployed?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as the minister said a few minutes ago, the government's objective is to ensure that people can work. This government's objective is to create jobs, and the aim of reforms in unemployment insurance and other social programs is to make it possible for people to work with dignity instead of being completely dependent on unemployment insurance or welfare.

That is why the minister wants to reform the system, and we will have a chance to discuss this when the minister tables his reform proposals this fall. This reform is badly needed, because

these programs were introduced 30 or 40 years ago, and the time has come to make some adjustments.

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PEACEKEEPERS IN BOSNIA

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Prime Minister.

As fighting intensified in Sarajevo, the Minister of Foreign Affairs indicated yesterday that he was unhappy with the current situation, stating that the peace plan was going nowhere. He also indicated that he would soon be consulting with the French and British authorities, hinting that a pullout from Bosnia could be closer than ever.

Does the Prime Minister confirm what his Minister of Foreign Affairs said yesterday about the possibility of Canada withdrawing its peacekeepers from Bosnia in a few weeks?

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada calls on both parties to withdraw their forces from the zones of separation.

Canada's position all along has been that the conflict can only be resolved at the diplomatic table, politically, not by military means. That is still Canada's position.

The minister made it very clear Canada will not withdraw its forces unilaterally. We are consulting with our partners, France, Great Britain, et cetera.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, could the Prime Minister or, again, the parliamentary secretary tell us whether Canada is prepared to consider UN Secretary–General Boutros Boutros–Ghali's suggestion that UN troops in Bosnia be reduced and regrouped?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the situation is obviously very complicated in that part of the world at this time. As the hon. parliamentary secretary said, Canada belongs to a group of countries ensuring a military presence in the area and we have agreed not to withdraw without first consulting with our partners. The French have indicated that they were contemplating pulling out, but if and when they do, it will not be unilaterally, since they have asked us not to withdraw our forces unilaterally.

As far as we are concerned, any suggestion from the UN secretary–general deserves to be considered because peacekeepers are under UN command.

So, consultations are under way with the secretary–general, and we will inform the House of any new development.

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[*English*]

SOCIAL POLICY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, after months and months of floundering it is becoming abundantly clear the social policy reform Liberal style is all but dead.

The Minister of Human Resources Development has failed to reform anything. His plans for a two tiered unemployment system are now on the back burner, as are income contingent student loans and TAGS retraining. Canada pension reform did not even make it to the back burner. We fear the minister is going the way of the turbot, barely clinging to the front benches by his fingernails.

Why has the minister failed so completely to provide Canadians with a new vision and plan for social policy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am happy to reply to this question.

Reform of social programs is a very high priority for the government. At the moment the minister is engaged in consultations with the provinces. Members of Parliament have held consultations across the land over many months. We will put all the discussions together and take them to cabinet during the summer.

There will be real reform, not fake reform which the member is trying to promote with the name of his party. I hope the Reform Party will agree with the reforms.

• (1425)

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, reform may be a priority as the Prime Minister says, but the fact is Canada's social safety nets are in a terrible mess.

The federal government's influence over medicare is diminishing, CPP is headed toward bankruptcy, consultations with the provinces are going nowhere, UI is unreformed and Atlantic Canadian workers are quitting their jobs to get on TAGS.

A government that proclaims to be the architect and defender of social safety nets is now presiding over the demise of those safety nets through its inability to act.

Does the Prime Minister want to go down as the Prime Minister who presided over the demise of the social safety nets or does he have a fresh new approach to social policy to lay before the House?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, since the road to Damascus I have never seen such a

conversion. I am delighted the leader of the Reform Party now supports the safety net.

When we make it more effective in the fall I would be delighted to have his support. It is great that the Reform Party is now getting more and more Liberal.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the collapse of the government's social reform program hurts not only Canadians dependent on those programs but also taxpayers.

Every member of the House knows there is absolutely no way the federal budget will be balanced unless there is social program reform and reform of social spending. If the Minister of Human Resources Development cannot lead that overhaul, then someone else in the government must be assigned the job.

With the Prime Minister prepared to provide leadership on this subject, since his government's budget is undermined by the failure of this minister to overhaul social funding, is it the Department of Finance that will now be providing the leadership for social reform?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the kind of leadership I have shown in this area is when I named an extremely able minister to be in charge of this very important project.

The leader of the third party should relax because I am looking forward to the day he will get up and applaud the Minister of Human Resources Development.

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[Translation]

FOREIGN AFFAIRS

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the President of the Treasury Board. Contrary to what the Minister of Foreign Affairs said yesterday, Foreign Service Directives Nos. 45 and 50 still allow diplomats to cash in their plane tickets to Ottawa, to pay for vacations anywhere in the world. The auditor general is critical of Treasury Board's decision to no longer ask for vouchers.

Given the condition of our public finances and the fact that the government is about to eliminate 45,000 jobs in the public service, how can the President of the Treasury Board still allow such a privilege for diplomats, which will cost over $8 million this year to Canadian taxpayers?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it has long been a tradition that those in foreign posts, particularly those considered to be in hardship posts, would have the opportunity for themselves and their families to return home from time to time, once a year in fact.

Of late the policy has involved a reduction in the amount of money to 80 per cent of the full economy fare. That has been on a test basis. All of that is subject to review. Every three years a review is automatically required. It is part of the union agreements. Therefore we will do it with the bargaining agents and it will be done this fall.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, will the President of the Treasury Board confirm that this privilege, introduced in 1993, was designed to allow diplomats posted overseas to avoid the salary freeze now affecting public servants?

• (1430)

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Not at all, Mr. Speaker, as has been pointed out.

A number of diplomats serve in hardship posts in spots in the world that nobody would envy. We want to give them and their families the opportunity to be able to come home from time to time. That was the purpose behind all of this.

Having said that, we have to make sure of the best value for the taxpayers' dollar. The program has to be operated in an efficient fashion. We are reviewing it in the normal three–year cycle and will be negotiating this matter with the bargaining agents this fall.

* * *

BOSNIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, as we have already heard today, reports out of Bosnia indicate that the fighting has risen to the highest level in three years. The UN Secretary–General says the current peacekeeping mandate is totally inadequate. Reform has been warning that this would happen for months now, but the government did not listen.

My question is for the Minister of National Defence. For the safety of our peacekeepers, will the government pull our forces out now?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, though we are very concerned about the situation in the former Yugoslavia, the Prime Minister made the government's position quite clear last week.

There is good work still to be done by UNPROFOR. The Canadian government is still committed. We are consulting with our allies to see whether or not the mission should continue and if changes are required what could be implemented.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, there is no peace in sight in Bosnia. The UN is powerless facing the renewed fighting and no amount of tinkering with the UN mandate is going to change that.

Now is not the time for the Prime Minister to be timid, waiting for the governments of France and Britain to tell him what to do in Bosnia.

Will the Prime Minister stop wavering and initiate the process of withdrawal immediately?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the troops have done a great job.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint-Maurice): I do not think it would be responsible for us to start a process that could result in many lost lives. Canadian soldiers are considered to be the best. I was told so by the president of Bosnia. It was also mentioned when I met last week with the president of Croatia. They both praised the quality of our soldiers' work. Our soldiers are committed to be there and will not leave unilaterally.

When we tell our partners we will do something, Canadians keep their word.

* * *

[*Translation*]

FILM INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

According to the director of Telefilm Canada, the Minister of Canadian Heritage plans to charge the major American film companies a tax of between 5 per cent and 10 per cent on their revenues for the distribution and showing of their films and videos in Canada. The director of Telefilm Canada has confirmed that the Minister of Canadian Heritage discussed this matter during his now famous trip to Los Angeles.

Would the minister confirm having discussed such a tax with the representatives of the major film companies during his short trip to Los Angeles?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am delighted that we have such a strong and imaginative individual, with an eye for change, at the helm of Telefilm Canada. My discussions with the major American companies, however, did not cover this particular point. They were much more general in nature.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, as my supplementary, I would ask the minister what measures he is considering in order to force the major American film companies to reinvest in Canadian culture some of the billions of dollars they are making here, as is being done in France, for example?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am very happy that our colleague is interested in this matter. Now she understands why the Minister of Canadian Heritage wants a policy on the film industry supporting the interests of the industry in Canada.

There are a number of ways to go about it. This is in fact what I am looking at with representatives of the Canadian industry and with the American major film companies and independents.

* * *

• (1435)

[*English*]

FISHERIES

Mr. John Cummins (Delta, Ref.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

A key recommendation of the Fraser report was that the federal government not expand the native only commercial fishery. In his rush to conclude the AFS agreements by Monday, the minister expanded this native only commercial fishery to include early chinook salmon on the Fraser River.

Can the minister explain why he broke his commitment to follow John Fraser's recommendation not to expand the AFS commercial fishery?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I want to thank the hon. member for Delta for his question. I know of his interest in the protection of the salmon resource.

However, the member will know that what the Fraser panel reflected on, both in the report and in the press conference which was held, was the need to ensure that early sales agreements were signed in order to ensure that proper management routines were put in place.

I would have thought that the member would have wanted to stand in his place, given his comments on this matter in the past, and reflect out loud on the fact that this year for the first time since sales have been implemented we have agreements in place fully two months earlier than was the case last year. All of these agreements were reached by the May 15 deadline put in place by the federal government. As a consequence of the early agreements, we will have the best managed, best conservation regime in place for salmon this year for the sales programs in British Columbia.

Mr. John Cummins (Delta, Ref.): Mr. Speaker, the minister is quite correct. Mr. Fraser recommended the early signing of the native fishing agreements so that workable enforcement and management regimes would be established prior to the opening of the first fishery.

However, by allowing the native commercial fishery to start within days of signing the agreements the advantage of the early signing is lost.

Why are we proceeding at this time? Why is the minister giving up the advantage of the early signing? Why is he ignoring his commitment to implement Mr. Fraser's recommendation?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, no objective individual who believes that it is possible for aboriginal people to make and keep agreements in good faith, and who believes it is possible for the people who represent the First Nations and the Government of Canada to sit down and come to reasonable terms on a reasonable sales agreement, would come to the conclusion that having reached agreements two months early, having met the requirements of the Fraser panel report and having negotiated in good faith, is a matter to complain about. That is a matter to celebrate.

I say to the member, let us have some faith in the people who first settled this land, the First Nations people. Let us work with them in good faith and make this agreement work.

* * *

[*Translation*]

THE ENVIRONMENT

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment.

Last week, the auditor general reported that the Department of the Environment has not established a program for the disposal the federal government's PCBs, nor has it estimated the total cost of such an operation. The auditor general also confirmed that no funds have been earmarked to cover the cost.

Since the Minister of the Environment has committed herself to disposing of the federal government's PCBs before 1996, will she tell us what the total cost of this operation, which supposedly is already in progress, will be, and where the departments should cut in order to find the necessary funds to meet her objectives?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the federal government decided to put an end to the never ending search for a site precisely because $20 million was spent on the fruitless search for a federal site between 1988 and 1994. I felt that this expenditure related to the green plan was no longer justifiable, and I asked Public Works Canada to resume sending these products to Swan Hills in Alberta from the month of March onwards.

Negotiations are ongoing and, as the former minister of the environment will explain to the hon. member, the cost of disposing of PCBs is not Environment Canada's responsibility. Each department that is responsible for PCBs must pay the cost involved in shipping them to Swan Hills. In addition, under the supervision of Public Works, we are already negotiating with the Department of National Defence, among others, to also ensure that we will not have to absorb the storage costs and to ensure that we will be able to dispose of all of the federal government's PCBs by the end of 1996, as was promised in the green plan.

• (1440)

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, if the minister is looking for sites, we can show her the ones we found last week.

How does the minister expect us to believe her promises when her colleague from Public Works has said not only has no contract been negotiated with Bovar Inc, the company which will be disposing of the PCBs, but also that it is still much too early to forecast the related costs or the timing of the disposal of the federal government's PCBs?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, that is precisely why I told the House last week that I took the decision at the end of March to stop spending federal money on the search for a site in addition to Swan Hills. I turned to negotiations instead. That is what I explained last week.

The Department of Public Works is in the process of negotiating with each department to find out the quantities of PCBs and where they will be shipped, and I am certain that negotiations have already begun in the Atlantic provinces. The hon. member for London issued a press release in March regarding PCBs and the disposal plan—

Some hon. members: Oh, oh.

Ms. Copps: Maybe you could not care less whether the PCBs will be disposed of. We will dispose of them. They are going to be shipped to Swan Hills, and the federal government will see to it.

[*English*]

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

Brunswick Mining and Smelting is actively considering moving its operations from Dalhousie, New Brunswick.

Can the minister tell the citizens of Dalhousie who will be responsible for the estimated $50 million bill for the environmental restoration of the site and surrounding waters? Can the minister guarantee that she will use all the resources of her department to ensure that the company will be held responsible for the complete restoration of this site?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, to follow up on the points made by the auditor general last week on contaminated sites, it is the view of the government that when a company occupies a site and has a signed leasing arrangement with the

Government of Canada, if ever it vacates the site it will leave the site in the condition in which it was found.

It is our belief that the restoration project could cost in the millions of dollars. We intend to ensure that if any decision is made about a change in location of this operation, all the costs of the rehabilitation of the site will be borne by the company that is responsible for making the mess, not the taxpayers of Canada.

* * *

FUR INDUSTRY

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, animal rights activists seem to be convincing our trading partners in Europe to ban furs imported from countries which use leg hold traps. In Canada such a ban apparently would affect about 100,000 jobs, including 80,000 trappers of whom about half are native people.

I would like to ask the Minister for International Trade whether it is true that our only strategy in the situation is to seek delays beyond the current proposed deadline of January 1, 1996.

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, earlier indications from the European Union had been that the proposed regulation would be delayed beyond January 1, 1996.

Because of the more recent indications of the European Union's likelihood of moving on the issue, we are pursuing on an urgent basis with the European Union, with the United States and Russia, with other countries directly involved in the issue, to design and agree on what is called a more humane trap so that we can resolve the issue during the current calendar year.

However, I acknowledge to the member opposite that time is short. We shall need to consider as a fallback position, if the European Union does act, whether we would seek one of the various forms of trade remedies that are open to us.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I thank the minister for his answer. I am glad he realizes that time is of the essence.

As a former trapper I can verify that the Conibear trap which kills the animal instantly rather than inflicting the suffering of leg hold traps, has been available for many years.

I ask the Minister of Indian Affairs and Northern development what his department is doing to encourage Canada's trappers to change over to non–leg hold traps as soon as possible, in order to avoid a major blow to the local economies which such a ban on Canadian furs would cause?

• (1445)

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as well as assisting the Minister of International Trade and the Minister of Foreign Affairs wherever we can in whatever format and whenever we can to get the matter settled because it affects industry, we have put significant amounts of money—I do not have the exact amount—into training and into the development of a more humane trap.

The problem is that we think no matter how humane the trap is there will still be European backlash against animal furs. We are doing our best to overcome it but it is a problem. To say it is not a problem would be misleading the hon. member.

* * *

[*Translation*]

PROGRAM FOR OLDER WORKER ADJUSTMENT

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Surprisingly enough, Mr. Speaker, my question is for the Minister of Human Resources Development. On Monday, the Quebec employment minister announced the unilateral funding of Phase I of a labour adjustment measure in response to the mass layoffs in the clothing industry. The Quebec government would spend close to $7 million to provide assistance to these older workers, while the federal government will not contribute a penny.

How does the minister explain his stubborn refusal to modify the Program for Older Worker Adjustment or POWA, which is now putting Montreal at a disadvantage, by extending it to layoffs involving 20 workers or more instead of 100 as is now the case?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I am pleased the Government of Quebec is offering supplementary assistance to older laid off workers in the clothing industry, but it is not correct to say that the federal government is not involved.

Under PATA, as the member knows, we cost share at a level of 70 per cent a major program for older workers in the province of Quebec as we do in all provinces. The province of Quebec agrees to the criteria of that program.

In the last month or so we have provided assistance to seven or eight major factories that laid off older workers in the clothing industry. I would be glad to give the hon. member a full list of joint federal–provincial support for older workers in the Montreal area.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, surely the minister must know that the federal government is not investing a penny in the program I am referring to.

I will ask my supplementary question slowly to make sure the minister understands. Now that the Quebec employment minister has announced her intention of initiating talks with Ottawa to convince the federal government to make a financial contribution to Phase II, should it be implemented, does the minister promise that he will acquiesce to his Quebec counterpart's request?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, to make sure that each of us understands what is going on, I point out that under the present program for older workers Montreal has 4 per cent of the Canadian population and receives over 11 per cent of the full support for older workers right across Canada, which I think is a substantial contribution that we are making.

We have put forward as one major element in looking at social reform in the country how we could provide greater assistance to older workers. All we need now is the co–operation of the Quebec government to join us in that enterprise. Then we can jointly arrive at an effective answer.

* * *

ABORIGINAL AFFAIRS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, last Wednesday I asked the minister of Indian Affairs what he had done about serious allegations regarding the misuse of band assets, capital project funds and housing moneys on the Yellow Quill Reserve.

I am now in receipt of a letter from a band member who says that the Indian affairs department has finally admitted that the $2 million deficit was due to "incompetent bookkeeping".

The band may have a financial management plan in place, but band members want to know what the minister has done to determine where the missing millions went.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I believe I responded to the question last week. I would be pleased to take the member's letter under consideration. Again I emphasize that there are 605 First Nations out there. Over 80 per cent run their affairs well, and I never hear the Reform saying that is good. Some 152 of the remaining 200 have remedial action plans in place and we are working with them.

• (1450)

We are working with the people to make sure they do the things the Reform allegedly wants. I quote the leader of the Reform Party when he said that his goal was to dismantle and decentralize my department's function, funding and responsibility and transfer them to local aboriginal agencies of government.

If the Reformers are complaining, that is good. That is democracy. At least they are showing an interest in what is happening.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I am glad to hear that the minister will take the letter under consideration, because it is addressed to him.

The minister of Indian affairs cannot continue to ignore band members requesting financial accountability of their chiefs and council. As the minister knows, this is not an isolated case despite what he claims.

To pay for the so–called incompetent bookkeeping band members must forgo much needed capital projects and social programs. They have called on the minister to uphold his fiduciary obligation to them.

My supplementary question is for the same minister. What steps will the minister take to hold chiefs and council financially accountable to all band members and guarantee that abuses like this will never happen again?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, a letter is being drafted, in response to that letter, to the member. A full review is under way in this instance and I wanted to advise the member of it.

I repeat that members of the Reform Party never look at the good side of what is happening out there. They take isolated cases like they did on immigration and on anything else in the House that they oppose, such as the gun laws. I say they should go and talk with the people they represent. I can assure them that most people want to do the honourable and just thing for native people to get true self–government and to bring some dignity into the process rather than single out individuals in the House and come close to defaming them.

* * *

AGRICULTURE

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

In recent weeks we have read about the projected closures of all agricultural centres across our rural communities. These services provide a very vital service for agriculture in Essex and Kent counties as well as other rural areas.

What will the minister do to maintain agricultural employment services across Canada?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I point out to the hon. member and members of the House that as part of our reform program we are presently engaged in a major reinvention of the way the department provides delivery of services. It is our expectation that by this time next year we will have substantially expanded the level

of service to rural areas by providing more delivery points at areas where they have major responsibilities.

In terms of the special activities under the agricultural employment service, we are prepared to sit down with the agricultural community, the Canadian Federation of Labour and the horticultural society to work out ways to have direct partnerships with the agricultural community in the rural areas and to both have a facility in which we share in the opportunities that the centres can offer for jobs and employment. That is part of the new partnerships we are trying to establish in reorganizing the department.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, my question is for the Minister responsible for Public Service Renewal.

In its budget, the federal government announced that the public service would be reduced by 45,000 positions over three years, including more than 12,000 in the Ottawa–Hull area. The Minister responsible for Public Service Renewal seems to be unable to give specifics about the extent of these cuts, stating that it should be a rather large number, but that he does not know the exact number because it varies from department to department and from day to day.

Are we to understand from what the Minister responsible for Public Service Renewal said that the decision to eliminate 45,000 public service positions was an impromptu, last minute kind of decision?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, if the hon. member from the opposition knew anything about public administration, he would know that, when plans are made that affect departmental administration, it is clear that each department will come up with a different plan and that surplus notices will be sent out on the basis of evolving needs.

• (1455)

It is therefore impossible for any department to indicate today what it has done because, obviously, its plans are implemented on a day by day, week by week basis, and the answer that was provided is correct.

What is important to know is that we are going ahead with our plans to streamline the public service; we are in the process of implementing the measures announced in the budget with efficiency and competence.

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, if, as the minister claims, this was not an impromptu decision, does he undertake to release the department by department program evaluation report, which resulted in the decision to lay off 45,000 public servants, and to tell us how the work force adjustment program will be carried out?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the budget tabled before this House clearly spells out the government's fiscal plan and its impact on each department.

The government had the courage to make the decisions required. Unfortunately, this means that certain positions will have to be eliminated. We acted in a humane way, providing programs such as early retirement or buyout packages and, so far, the unions feel that the budget is being implemented appropriately and efficiently, in an effort to accommodate the public service.

* * *

[*English*]

CRIMINAL CODE

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, recently an American tourist was acquitted of assault for spanking his five–year old daughter. Every parent in Canada was on trial.

Last June the minister stated that the government was reviewing section 43 of the Criminal Code. This section permits parents and educators to physically discipline their children using reasonable force. The minister also stated: "I know of no plan at present to propose a change to this section".

My question is for the justice minister. Will the minister state today the outcome of the government's review of section 43, and regardless of that outcome will he reaffirm his support for section 43?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am satisfied the section in the Criminal Code complies with our obligations. I can tell the hon. member and the House that the government has no intention to introduce any change to section 43 of the Criminal Code.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I have a supplementary question. If the minister has no intention of changing section 43, why in the world is his government continuing to fund the Children's Bureau review of section 43?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I made clear in my response to the question when it was last put, because we are signatories to international conventions and treaties we are

obligated like other civilized countries to do an audit of our laws to ensure they reflect the values and the principles to which we subscribe with other nations.

The work to which the hon. member has referred is simply part of that effort and it must be done.

* * *

FINANCE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance who will know from press reports today that his present seatmate has said: "Cash means clout. No cash, no clout". He went on to point out that the majority of members of the finance committee agree it is important for Ottawa to maintain the cash transfer to make sure the federal government maintains its influence, meaning the ability to enforce legislation like the Canada Health Act.

Will the Minister of Finance agree with his seatmate that the idea bears merit and that he will consider it in terms of changing the legislation presently before the House?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.): Mr. Speaker, I certainly would like my colleague to answer the question and my colleague would like to answer it.

We are delighted as a result of the reform of House of Commons committee rules that we have a very active, dynamic and incisive finance committee of the House.

• (1500)

As to the particular comments of the chairman of the committee, as the hon. member for Kamloops knows, we will be sitting down with the provinces, and quite clearly we do not want to do anything premature in terms of those discussions with the provinces. It is very important for us to hear from the provincial finance ministers on this issue.

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GUN CONTROL

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, yesterday morning the justice committee heard moving testimony from Burlington resident Priscilla de Villiers on gun control. In no uncertain terms, Mrs. de Villiers stated: "Let me tell you about inconvenience. The death of your children at the hands of a man wielding a gun is an inconvenience."

I ask the Minister of Justice if he feels the proposed gun registry contained in Bill C–68 will inconvenience Canadian gun owners.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think it is telling that the question of the day did not come from the other side of the House, because the witnesses yesterday were victims of violence with firearms and they were not in a position that could be exploited by the Reform.

The very purpose of Bill C–68 is to address the kinds of tragedies the committee heard about yesterday. The point is perhaps best made by comparing on the one hand the inconvenience of filling out a form and mailing it in with $10 over the next five years and on the other hand losing a member of your family.

I am often asked for proof that registration of firearms will achieve something for Canada. For those who ask for proof, I suggest they speak to the parents, the mother who yesterday described the tragedy of losing a child, speak to the children whose mother is dead because she was shot in her home.

This government with this bill stands with the Victims of Violence for Change. This government stands with the police chiefs and the police across this country. We shall not fail them.

Some hon. members: Hear, hear.

The Speaker: This concludes the question period.

I have a point of order from the hon. member for Kindersley—Lloydminster.

* * *

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I would like to draw to the attention of the House that during this last question in question period, the question concerned specific matters that happened in committee. My understanding of the rules under the standing orders is that is not a proper question for question period. I would ask you to rule on this issue, Mr. Speaker.

The Speaker: The hon. member is correct in stating that we cannot ask questions in the House that directly relate to a committee. In my interpretation of the question, it would seem to me that at the time I heard it, it seemed to be general enough.

I will take the hon. member's request under advisement. I will review the blues, and if necessary I will come back to the House.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to seven petitions.

• (1505)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House the report on the joint parliamentary delegation visit to Brazil on April 15 to April 21, 1995, in both official languages.

* * *

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Foreign Affairs and International Trade relating to the reform of international financial institutions for the agenda of the G–7 summit in Halifax.

The report makes 20 recommendations aimed at strengthening Canada's position heading into the G–7 economic summit in Halifax in June. It is a unanimous report of the committee.

[*Translation*]

Pursuant to Standing Order 109, the committee is asking for the government's response to the report.

[*English*]

Mr. Hermanson: Mr. Speaker, I rise on a point of order. There has been some quick consultation here. I believe there might be unanimous consent to allow my colleague from Wild Rose to introduce a private member's bill today without the usual 48 hours notice, since he is not available to be in the House on Thursday and Friday. I would ask the House to give him consent to introduce his bill today.

The Speaker: I am informed that we have to have the bill. Does the member have the bill with him? We have the bill. Is there unanimous consent?

Some hon. members: Agreed.

* * *

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.) moved for leave to introduce Bill C–327, an act to amend the Criminal Code (bail in cases of assault with weapon or criminal harassment).

He said: Mr. Speaker, I would like to thank my colleagues for giving me the opportunity to present this private member's bill.

The bill is an act that would amend the Criminal Code regarding bail in the case of assault with a weapon or criminal harassment. There have been a number of cases throughout the nation where people have been released on bail who have committed some very serious violent crimes and have followed through on their threats after bail has been issued. This bill would be an attempt to assist the victims so they would not be vulnerable in the future.

(Motions deemed adopted, bill read the first time and printed.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you might find unanimous consent that the House adopt the motion standing in my name on today's Order Paper, No. 17, that the 77th report of the Standing Committee on Procedure and House Affairs be concurred in.

• (1510)

This important report deals with the form of the Journals in respect to supply proceedings in the House and in the other place. I think there will be consent to adopt the motion without debate this afternoon.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

HUMAN RIGHTS

Ms. Hedy Fry (Vancouver Centre Lib.): Mr. Speaker, it is my pleasure to rise to support a petition that has come from 1,038 members of my riding, which reads as follows.

We the undersigned residents of the province of British Columbia draw the attention of the House to the following: that discrimination on the basis of sexual orientation is a real and hurtful form of discrimination in this country; that all forms of families in this country, those based on financial and emotional interdependence, are equally meaningful and important to the social well–being of Canada; and that both protection against discrimination and recognition of relationships based on financial and emotional interdependence are necessary to ensure the equal treatment of gays, lesbians, and bisexuals under the law.

Therefore, your petitioners request that the Parliament of Canada amend the Canadian Human Rights Act to include sexual orientation as a basis for protection against discrimination and to include recognition of relationships based on financial and emotional interdependence.

[*Translation*]

HUMAN RIGHTS

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I was asked by a group of people to table a petition on their behalf. I am pleased to do so. These people are from a number of Quebec municipalities, mainly Longueuil, but also Terrebonne, Sainte–Monique, Montreal and Laval.

They are asking Parliament to amend the Canadian Human Rights Act so as to prohibit discrimination based on sexual orientation.

[*English*]

YOUNG OFFENDERS ACT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have three petitions to present.

The first is from petitioners in and around the cities of Edmonton and Calgary, Alberta, where the petitioners request that Parliament recognize and address the concerns of this petition regarding the Young Offenders Act and that action be taken immediately to bring about results that would improve the situation.

VICTIMS RIGHTS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the second petition contains 96 signatures, wherein the petitioners call upon Parliament to enact legislation that would re–evaluate and amend the Canadian justice system to provide protection to and give precedence to victims rights, which require stricter sentencing guidelines, stronger penalties for major crimes, deportation of convicted non–Canadians, and all juveniles charged with major crimes to be tried in adult court.

BILL C–41

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the third petition contains 40 signatures from the Kingston, Ontario, area, wherein the petitioners pray and request that Parliament delete section 718(2) entirely from Bill C–41.

GLOBAL EDUCATION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have three petitions from citizens and residents of Peterborough. All the petitions concern the cuts in global education and I will summarize each one.

In the first, the petitioners say: We are concerned that our children learn how to live as responsible global citizens. We know we consume too much of the world's resources and we want to learn how to change.

In the second one, the petitioners say: We believe in democracy and want to be actively involved in community discussions on Canadian foreign policy and global issues. We believe that global education is an investment to counter the social, economic, and environmental deficit facing the developing and developed world.

In the third petition, the petitioners say: We know non–governmental agencies are the best delivery system for global education and for overseas development assistance. We commend the work of the Kawartha World Issues Centre based in Peterborough and four surrounding counties as effectively linking global issues to local action for justice across many sectors of the community.

Therefore, in the three petitions, the petitioners request that Parliament reinstate public participation as a goal of Canadian foreign policy and request that Parliament reinstate global education through non–governmental organizations based in Canada.

• (1515)

YOUNG OFFENDERS ACT

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have three petitions.

The first petition deals with the Young Offenders Act. The petitioners, some 490 strong, from the metropolitan Toronto area ask Parliament to recognize that they wish stiffer penalties for young offenders convicted of violent crimes.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the second set of petitions contains approximately 230 signatures, all from the Richmond, British Columbia area.

The petitioners pray that Parliament ensure the present provisions of the Criminal Code prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the third set of petitions contains approximately 220 signatures from the Trenton area, my riding of Scarborough West, Kanata, Carleton Place, Ontario and from Vernon, British Columbia.

The petitioners call on Parliament not to amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

[*Translation*]

VOICE MAIL

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, I am pleased to table a petition signed by elderly people from several communities in my riding. These people feel powerless when

they have to use voice mail technology. They want a more appropriate service, particularly as regards their income security claims.

They are asking that an appropriate service be provided and that the government give up its idea of using voice mail to answer queries.

[*English*]

HUMAN RIGHTS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure today to present a petition on behalf of citizens of Prince George—Peace River. Some 74 citizens have signed the petition.

The petitioners call on Parliament to oppose any amendment to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

I find myself in complete concurrence with this and it is my pleasure to present it.

The Speaker: When we present petitions it is not necessary to be either for or against a petition. We have been doing that on all sides as of late. I ask you to simply present the petitions.

GUN CONTROL

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, I have two petitions to present. The first petition concerns the provisions of Bill C–68.

The petitioners wish to express their opposition to the universal registration of long guns, restrictions and controls on the purchase of ammunition and the undue use of regulation by order in council.

They therefore call on Parliament to refrain from passing Bill C–68 as it presently stands.

RAIL

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, the second petition is very thick. It is from virtually every resident of the Arborfield, Zenon Park area and represents those who use the Arborfield subdivision of the Canadian National Railway which now serves an excellent grain producing district as well as a large alfalfa dehydrating plant employing some 40 people. Without the line the future of the plant and the village of Arborfield is in doubt.

They ask, therefore, that the Parliament of Canada support Canada's rural way of life by rejecting the policy proposals now before it which lift the prohibition orders on branch lines and instead develop agriculture and rural development policies for Canada in which rural citizens are considered to be necessary humans with spiritual, social and economic needs; not to treat them just as statistics.

HUMAN RIGHTS

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition signed by 250 constituents in my riding of Lincoln asking Parliament not to amend the Canadian human rights code to extend spousal benefits to same sex partners.

ASSISTED SUICIDE

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, I rise to present petitions on two issues.

The first petition I received from my constituents of Essex—Windsor asks that Parliament ensure the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

RIGHTS OF THE UNBORN

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, the second set of petitions also requests that Parliament act immediately to extend protection to the unborn child.

• (1520)

GUN CONTROL

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, it is my duty to table in the House a petition signed by 60 residents of Kapuskasing and area on the gun registration legislation.

The petitioners are asking Parliament to deal more with crime control than gun control. The system should also concentrate its efforts on the criminal element of society instead of further eroding the rights and freedoms of law–abiding citizens.

HUMAN RIGHTS

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I have the pleasure of tabling four petitions today, all duly approved by the clerk of petitions.

The first two deal with the moral issues of euthanasia and also include sexual orientation legislation.

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, the last petitions deal with the criminal justice system.

These were signed by over 6,000 citizens of my riding of Okanagan—Shuswap. These 6,000 Canadians are asking the government to reform the justice system to protect the innocent and deal more efficiently with criminals.

These requests are added to the request of many thousands of Canadians. It is time for the government to act.

HUMAN RIGHTS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am presenting four petitions signed by over 200 constituents from various parts of my riding.

The petitioners are calling on Parliament not to amend the human rights act or charter of rights and freedoms in any way which would indicate societal approval of same sex relationships.

I am also presenting a fifth petition signed by some 50 individuals calling on the government to amend the human rights act to prohibit discrimination based on sexual orientation.

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present the following petition dealing with sexual orientation.

The petitioners from my constituency believe the term sexual orientation in Bill C–41 is ambiguous and therefore would broaden implications indicating societal approval of same sex relationships.

They humbly request that section 718.2 of Bill C–41, the sentencing bill, be rescinded. This petition contains 113 signatures.

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, I have two petitions, the first containing 40 signatures.

The petitioners pray and request that Parliament not amend the human rights code and the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

GUN CONTROL

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, the second petition contains 167 signatures. The petitioners request that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of a crime, support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms, and support legislation that will repeal and modify existing gun control laws which have not improved public safety or have proven not be cost effective or have proven to be overly complex so as to be ineffective and/or unenforceable.

JUSTICE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is a pleasure to rise under Standing Order 36 to present a petition of many thousand names which would probably bring the total to in excess of 60,000.

The petitioners are calling on government to keep dangerous sex offenders and pedophiles locked up for life, to eliminate statutory release, to impose stiffer sentences for violent offenders, have violent criminals serve their full sentence and have time added for bad behaviour, and on and on.

Members get the idea of the petition, basically calling for changes to the Criminal Code to make Canada a safer place.

HUMAN RIGHTS

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, I am tabling the following petition which calls on Parliament to oppose any amendments to the Canadian Human Rights Act or the charter of rights and freedoms which provide for the inclusion of the phrase sexual orientation.

I also have a petition calling on Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition which has been circulating around Canada. It is signed by a number of residents from the Oakville, Ontario region.

• (1525)

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

HUMAN RIGHTS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I am pleased to rise to present two petitions from the province of British Columbia on behalf of the Minister of National Revenue.

The first petition signed by 42 individuals deals with the issue of sexual orientation.

YOUNG OFFENDERS ACT

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker the second petition signed by 1,100 individuals concerns the Young Offenders Act.

The petitioners request that Parliament amend the act to automatically try a youth in adult court for any crimes of violence and to provide for public identification of a convicted, young dangerous offender.

HUMAN RIGHTS

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, pursuant to Standing Order 36, I rise in the House today to present two petitions from the constituents of Hamilton—Wentworth riding calling on Parliament to oppose any amendments to the federal Criminal Code which would provide for the inclusion of the phrase sexual orientation. There are about 300 names on these two petitions.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

INDIAN AFFAIRS

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I rise today, pursuant to Standing Order 52, and move:

That this House do now adjourn for the purpose of an emergency debate on a specific and important matter requiring urgent consideration.

Both the council for the James Bay Cree and the Yukon Indians have agreements with the federal government which are appendages to the Constitution of Canada. Both groups claim their constitutional rights demand consultation with the federal government prior to the enactment of federal law touching on hunting, trapping or food gathering.

The testimony of both groups before the Standing Committee on Justice and Legal Affairs claims unequivocally that no consultation took place in the prescribed manner regarding Bill C–68 and therefore their constitutional rights have been violated by the federal government.

I believe the allegations of the violation of the constitutional rights of the aboriginal people are so pressing that the public interest will suffer if this issue is not given immediate attention. The foremost responsibility of members of Parliament is to uphold the Constitution of our country and that can only be done in the House.

The public interest and the interest of aboriginal people demand this matter be dealt with immediately.

SPEAKER'S RULING

The Speaker: I listened with great attention to what the hon. member had to say. The matter raised is important to Canadians. However, in my view the hon. member would probably have other avenues to explore this topic, in committee and otherwise here.

At least at this time it would seem to me the hon. member's request does not meet the requirements for an emergency debate.

GOVERNMENT ORDERS

[*English*]

CANADIAN DAIRY COMMISSION ACT

The House resumed from May 16 consideration of the motion that Bill C–86, an act to amend the Canadian Dairy Commission Act, be read the second time and referred to a committee.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, yesterday when debate resumed I was the first speaker following a rather bad movie unfolding in the House called "milk wars" between the Liberals and the Bloc Quebecois over what would happen to the dairy industry should Quebec separate. It was rather amusing at times.

The Reform Party supports the tariff levels agreed to under GATT. However, we should become proactive in this area and address future concerns.

• (1530)

I am concerned about the health of the dairy industry down the road. The trend toward more open and competitive global markets is happening whether we like it or not. Failure to adapt will undoubtedly result in the destruction of an industry that has provided Canadians with a quality product for many years. Dairy farmers must move to a more efficient means of producing milk.

I would like to address a few aspects of Bill C–86. I have already mentioned that the Canadian government had no choice but to make alterations to the supply management commodities. As with many of these programs that were initially developed by the Liberals, they, the creators of the system, are reluctant to change them or drop them entirely. Sentimental feelings are driving the government's agenda.

All we have to do is look at the GATT negotiations and the Liberals' position, who at that time were not the government, with regard to the GATT negotiations and article XI. They said that article XI was non–negotiable. They told people in the dairy industry to support them and they would defend article XI and it would be in the new GATT agreement.

A few days after the Liberals took office, history shows us that in fact article XI had to be negotiated away. We had no support in the international community for article XI. Tariffication was put in place to replace that article.

I might add the Reform Party anticipated this event. We said in our election platform that we believe the structure of national supply management agencies need not change at all as long as

these agencies continue to have the support of their producers. They should continue in any manner in which they feel best serves their interests. Tariffs will be reduced as other countries reduce their support. This will allow Canadian producers to remain competitive and will ensure that these sectors are able to adapt to the new market driven environment.

The point that we raised was that tariffs should initially be set at levels sufficiently high to protect the domestic market and industry. We said that supply managed producers should have access to our comprehensive income stabilization program. We went on to say that import control regulations as a defence against foreign dumping should be rationalized and strengthened.

We said that licensing and arbitration regulations as an improved safeguard against business which might engage in unfair practices should be strengthened. We also said that competition and anti–combines legislation intended to place limits on the power of buying groups should be strengthened and vigorously enforced. We concluded by saying that the impact to the sectors during the tariff reduction period should be carefully monitored.

The Reform Party believes that this approach will not only ensure the continued viability of supply managed sectors, but will build a bridge to a new era of opportunity and expansion.

Bill C–86 fails to address the problems it has set out to correct. While the intent of the bill is to help the Canadian dairy industry to comply with the GATT regulations, it is almost certain that industry will be open to other trade sanctions, especially from the United States.

The pooling market system which replaces the existing system of levies has long been a bone of contention with the United States. We have seen the response of the U.S. over the last five years to the effect of the Canadian Wheat Board. While the Canadian Wheat Board has been functioning in the manner it should and we have been winning the trade disputes, nevertheless the pooling is an irritant. If we are looking at pooling in the dairy industry we need to be very careful that we do not structure it in such a way as to become a trade irritant with the Americans, or at least not a trade irritant that we would lose a scrap over.

The Reform Party is concerned that this government has not been honest and open with those farmers that are within the supply managed areas. I believe this government has not reacted to the global trend toward a more open and a more competitive market. As we know, Canadian dairy farmers are capable of competing in these competitive markets.

More and more, Canadian farmers are going to have to compete in a global marketplace. As we see trading blocs forming, currently NAFTA is expanding with the inclusion of Mexico and negotiations with Chile and other Latin American countries, we realize that there will be more and more observation of our own trading practices here in Canada. We will have to be very careful as to how we design our marketing and our trade deals so that we do not jeopardize industries which at the current time are very sustainable and are functioning very well.

• (1535)

The Liberal messages to the industry have been misleading in the past and we are concerned that they may be misleading in the future. We will be scrutinizing the bill very carefully to ensure that we are not sending the wrong signals to the dairy industry with respect to what it can expect in the future from agreements such as the NAFTA and the GATT.

There have been some good questions brought forward in the House as to whether the NAFTA supersedes the GATT or the GATT supersedes the NAFTA. Those are important questions and we need more clarification from the government that in fact the legislation which it is proposing will not be challenged under the NAFTA and we will not lose the challenge.

The question I ask of the government is whether Canadian dairy farmers will be given the tools and the time to adapt to a new market driven economy. We need not look any further than the current fiasco with the WGTA and the Crow buyout. Imagine a government which would discontinue the Crow benefit and replace it with a one time payout and then talks about a transition period and a transition program which would take place one year following the conclusion of the Crow benefit. That is not very good planning in my mind and I am getting the same message and the same signal from my constituents and other Canadians who are affected by the elimination of the WGTA, the Crow buyout and this transition program.

It would seem to me that it would be much more logical to have a transition program spelled out before implementing legislation to end the Crow benefit and introduce a buyout to producers. We wonder about the logic of a government which would eliminate something and then a year later introduce an unspecified program to help the industry make the transition from transportation subsidies to an unsubsidized system.

We have the same concerns about the dairy industry. We are concerned that the government is not looking at the long term. It is not considering carefully the outcome of its policies with respect to the dairy industry. It is not looking at the need to access new markets. It is not thinking long term; it is continuing to look only at the short term situation.

Another important issue which needs to be addressed is whether supply managed industries should have access to income stabilization, in particular, a whole farm income stabilization plan. Many spokespersons in the dairy industry and other supply managed industries are suggesting they would not like to be a part of any income stabilization plan or a whole farm program.

I think part of the reason they are suggesting that is because the Liberals have made guarantees to them about the current supply managed system which perhaps are not supportable in logic. In fact, perhaps if the industry was given the true picture of what awaits it in the future it might be more interested in looking at belonging to some kind of income stabilization plan, something along the lines of NISA.

Again I would communicate to the House that the Reform Party envisioned the need for that to happen. We suggested that an income stabilization plan should be a shared federal–producer program having universal application, which means all sectors. It would include the supply managed sectors. This would be made available at the whole farm level. If a farm produced many commodities all those commodities would be recognized by the plan. Supply managed sectors would have access to the program upon the introduction of tariffication.

Of course, that was written before the tariffication was introduced. We were correct in anticipating that. I believe we were correct in anticipating that there will be a need for the supply managed industries to have access to a NISA type income stabilization program, given the market trends and the formation of a global economy in which eventually supply managed industries will have to participate and be in a competitive position.

I would like to conclude my speech by asking the government to be more honest and more open with the Canadian dairy farmers. The government promised that it would be very open and honest with the public. It is in its red book. We sense that those pages are being torn out of the red book and it concerns us very much. It should concern dairy producers across Canada as well.

Before the Liberals were elected it was very easy for them to say they would be open and honest, but they seem to be having some difficulty now fulfilling some of those red book promises. We are concerned that one of the casualties may be supply managed industries, in particular the dairy industry if the true situation of international negotiations and of course the jurisdiction of the NAFTA versus the GATT are not correctly and very clearly communicated to the industry. The Reform Party would like to see that honesty and openness with regard to this situation.

• (1540)

Hopefully, the House will get away from the milk wars I spoke about in my remarks yesterday. I think we should quit talking about marriage and divorce and start talking about birth and death. Let us let the old system die and let us see a new Canada formulated in which we all get along well and where we do not have milk wars and turf wars over just about every other issue in Canada. To be competitive in the global economy we certainly cannot be scrapping within the borders of this great country.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, I would like to provide a little background on the dairy industry in Canada. In the 1960s, there was no supply management in the dairy industry. Farmers were producing as much milk as they wanted.

In the summer, when they were out to pasture, dairy cows produced three or even four times as much milk. The milk was put into containers commonly called milk cans. To keep the milk fresh, these cans were placed in the spring or the river nearest to the barn. At 9, 9.30 or 10 a.m., depending on the transporter's route, the cans were picked up on tripods along the road.

The truth be known, freshness left something to be desired. Processing plants were drowning in milk in the summer, but come winter, farmers were having a more difficult time; in order to produce the milk, they had to buy meal, ingredients, inputs. It was not really worthwhile to produce milk in the winter. So they produced the maximum in the summer and stopped producing in the winter.

That is what was happening on our farms during the 1960s and early 1970s. In 1970, 1971 and 1972, milk producers got together with government officials and set up standards, agreements. They said that there is no use producing too much milk if we are not able to use it and if we cannot sell it outside the country.

They came up with supply management, that some people are decrying so strongly here in the House. Supply management requires a farmer to now produce 12 months a year, on a monthly basis. Our dairy farmer cannot keep the cream and give the whey to others. He has to produce milk in summer, fall, winter and spring. Therefore he must manage his herd in such a way that cows will calve all year long. He can non longer take advantage of geographical or climatic factors.

In that regard, I would ask my Reform colleague to explain the second point that his colleague and friend so brilliantly explained yesterday in this House. The agriculture critic and member for Vegreville outlined the four points his party's dairy policy. I would like to have the second point explained further this afternoon.

I quote: "Second, Reformers acknowledge that the agriculture industry, including supply managed sectors, is moving toward a more competitive market driven system". Where can there be any competition if a farmer is told that he has to produce 1,000 litres of milk for the local dairy, while one of his neighbours has to produce 1,100 litres, and the other has to produce 900?

• (1545)

Where can there be competition when, for milk of the same quality, one farmer is paid 47 cents a litre and another 46 cents, because he is a member of the Liberal Party, the Reform Party or the Bloc Quebecois? How can producers compete with one another under such circumstances, if they have to produce milk

of the same quality? I would like my Reform colleague to explain his view on competition.

[*English*]

Mr. Hermanson: Mr. Speaker, I would like to thank the hon. member for Frontenac for his question.

He began by talking about what farming used to be like back in the 1960s. While I was not a grown man at that time, I remember what farming was like. I remember my parents shipping cream back in those days, not quite the way the hon. member described it, but it did bring back some memories hearing his comments.

As the hon. member for Frontenac is aware, agriculture has changed substantially in the last 35 years. The industry and the producers are always far ahead of government. It is not government regulation or legislation that causes progress in industry, including the agriculture industry.

Whether it be a supply managed industry, a free market industry or the growing of wheat under the Canadian Wheat Board, which is in neither of the aforementioned categories, we have seen dramatic changes in the industry over the last 35 years as world and domestic conditions have demanded better operating practices from farmers no matter what the commodity is that they produce.

The member talked about the need for a consistent supply of milk over a 12–month period by producers. I understand what he is saying. He seemed to be indicating that my colleague from Vegreville was suggesting something that would be in conflict with that requirement. I was not in the House to hear what my colleague said yesterday on this issue, but he related to me that he talked about a need for a more competitive environment.

The hon. member for Frontenac indicated that would pit producer against producer. Nothing could be farther from the truth. We are talking about the need to be competitive as a Canadian industry. We are looking at the industry versus the needs of the consumers and what consumers expect of the industry. We are also looking at what will be required both internationally and interprovincially with regard to the dairy industry.

For the most part international agreements have already been signed. We know that Bill C–88 will be before the House very soon. It deals with internal trade in Canada. There are some real problems with internal trade, particularly in the dairy industry. Some things have to be dealt with. Part of that was the cause of the bickering between the Bloc Quebecois and the Liberals yesterday.

I am sure what my colleague was suggesting and what I would reiterate is that the industry needs to be competitive. However it needs to be competitive as a whole industry, not producer against producer. In this way we can compete in the new climate under GATT and NAFTA and break down the barriers to internal trade within Canada so that our agriculture industries and other industries flourish under that scenario.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I am pleased to debate Bill C–86, an act to amend the Canadian Dairy Commission Act, especially as I was invited to do so by the member for Frontenac.

As the member of Parliament for Matapédia—Matane, a rural riding, I have several reasons to be greatly interested in everything that concerns farmers. My interest in agriculture is not motivated by political or partisan reasons.

• (1550)

My region owes its existence primarily to this industry. Nearly all the villages and towns in my riding were founded by settlers, who were farmers, of course.

I like to remind people that, at the turn of the century, over 80 per cent of inhabitants of Matapédia—Matane eked out a miserable existence in the country. They worked from dawn to dusk, but they were happy. I do not want to wax nostalgic, but I am one of those who do not deny their past, being very proud of their origins. Without agriculture, the riding of Matapédia—Matane would probably have never been developed. These farmers are responsible for building what we have here and the best of what we have.

The result of their efforts is that the Lower St. Lawrence now boasts over 400,000 hectares of farmland and 2,600 agricultural businesses with sales in the order of $190 million a year. As I was saying, my contribution to the debate on Bill C–86 is motivated by several reasons.

The first reason is probably that the farmers in my region, like those elsewhere in Quebec and Canada, have become real entrepreneurs and built real businesses over the years. They have built small, medium–sized and even large businesses, with all the risks involved. While subsistence farmers at the beginning of the century did not lead very risky lives, the same cannot be said of today's farmers who face fiercely competitive international markets. It is difficult to live beside a giant neighbour such as the United States of America with its formidable economic power and its climate, which is much more suitable than ours, especially in the Gaspé region. Last week, I went snowmobiling, because there are still two feet of snow in the sugar bush, so there were not many farmers out in the fields.

Some farmers now administer thousands of dollars, and many jobs depend on their economic health and the continued development of their businesses. Bill C–86 should secure the future of milk producers for a while. This means that many farmers in my

riding will enjoy a better future and may even ensure their succession, something which is particularly difficult in my region.

Without the farmers, our small communities will not survive. They were built thanks to the solidarity and the strong will of ordinary people who, over the years, have become great men and women, the builders of our country. Bill C–86 is proof that Quebecers always show solidarity, including with their neighbours, when necessary and when they do not feel pressured by the big federal machine, which often blindly imposes its will.

If each region could plan its own development without having to meet countless standards, we would obviously have a more prosperous country which would surely work a lot better. If the federal government did not impose its standards and, instead, let the provinces decide freely and independently among themselves, the country that you call Canada would undoubtedly work a lot better.

• (1555)

In any case, when Quebec becomes sovereign, it will show solidarity with its neighbours. As I said earlier, virtually all the small villages in my region and my riding were built around agriculture, and they continue to depend on that industry for their livelihood. Should agriculture disappear, a very large number of them would be abandoned overnight. It would be unfortunate to see a country, which our ancestors worked so hard to build, slowly disintegrate because people, who have given so much, have had to leave their regions.

I am also pleased to discuss Bill C–86 because my region is one of Quebec's major dairy production centres. It took almost 50 years of efforts to get to the enviable position that we, Quebecers, now hold in that market. Moreover, we invested large sums of money over the years to diversify, to produce more finished goods, and to fight effectively against outside competition. We are used to defending ourselves, and Bill C–68 once again confirms our leadership, our vision and our courage.

Moreover, Bill C–86 contradicts the federalist big names who wrongly assert that the rest of Canada will reject any agreement with Quebec, if it were to become sovereign tomorrow. On the contrary, an economic union is crucial for both parties, and everybody knows it.

Bill C–86 embodies this principle. Six provinces have signed an agreement, and others will undoubtedly join in when they realize that it is in their own interest.

In my area, dairy production alone generates 75 per cent of farm income and the dairy sector accounts for over 50 per cent of the farm businesses. The other main sectors are cattle, sheep and pork. That tells us a lot about the importance of the dairy sector.

Looking at employment, that sector provides over 7,500 permanent jobs, and thousands more seasonal jobs. Forty–eight per cent of the workers are under 40, which is truly remarkable.

In spite of this, figures for the Matapedia Valley show a 22 per cent drop in farm acreage between 1981 and 1991. Over the same period, the number of farms fell from 420 to 285, a 32 per cent drop.

While many factors can explain these drops, the main one also applies to other sectors. Raw materials from the regions go to major cities for processing, and the finished goods are then sold back to regions. Bill C–86 sets up a national pooling system of market returns that will help the sale of milk products abroad. That goal is praiseworthy, because it will enable us to counter the constant threat of foreign competition.

GATT and NAFTA do not give us much choice. I think we should also consider the same approach in other areas, particularly research and development in agriculture, without any federal involvement. We could research and develop new farm products that could be processed in the regions. Specialized small regional businesses could revitalize rural areas.

• (1600)

I congratulate the proponents of the agreement that is incorporated in Bill C–86 and more particularly Claude Rivard, the president of the federation of dairy producers, and a resident of my region of Matapedia Valley. I urge them to go even further and consider the future of agriculture in regions, including mine, because strong regions make for a strong country and a strong Quebec. Our survival and prosperity depend on a strong and diversified agricultural industry at the regional level. Thanks to specialized producers evenly and fairly distributed throughout the country, we will be able to successfully compete on world markets.

There is no point trying to grow oranges in northern Quebec, but we sure can try to produce something else. There is no point trying to produce milk on a large scale on farms that are not suited to this type of production, but we sure can try our hand at something else. What I am trying to show through these examples is that the agreement underlying Bill C–86 is excellent, and that we should continue in this way. In Quebec, pooling of our resources is where our great strength lies.

If farming is doing so well in Quebec, it is because we gave ourselves the means to succeed. Our farmers are independent, but have set up huge co–ops, pools and marketing boards which serve them well. Canada should follow suit and have independent provinces which still feel solidarity with each other. Unfortunately, the dinosaurs of centralist federalism have no options to put forward.

We, in Quebec, will make the right choice, just like Quebec farmers have done recently. A sovereign Quebec will stand behind its Canadian neighbours. I want to tell you that, in my

rural riding, the people are very proud of this agreement, and I am particularly proud that one of my constituents, a resident of Matapédia, is behind this initiative.

The Deputy Speaker: Questions and comments. I will recognize a member of another party, the hon. member for Durham.

Mr. Plamondon: Point of order, Mr. Speaker. I am convinced that I was on my feet before the hon. member, and I thought that the custom here was to recognize the first member to rise.

The Deputy Speaker: The hon. member is absolutely right, but as he may already know, it makes for a much more interesting debate if the Chair gives a member of another party the opportunity to ask questions or make comments.

So, I recognize the hon. member for Durham.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I would like to congratulate the member for Matapédia—Matane for his dissertation on this bill.

As I listened to the member's speech I was taken aback by how he used a federal agreement to argue the case of an independent Quebec. Actually, as I read this piece of legislation it occurred to me that this is one of the powerful things of a federal state like Canada, which can actually come to national agreements in the best interests of all the people of Canada, including the farmers of Quebec.

The signatories in this agreement are not other independent countries. They are not states of the United States. In fact they are people who have agreed to make this arrangement within a federal state. Indeed, if my memory serves me correctly the whole concept of pooling and marketing board systems was created by the federal government in the first place.

• (1605)

Most of the farmers in Canada recognize the importance of the federal government in the area of marketing and in establishing national marketing standards. My riding is also a very important area of milk production, contributing 2 per cent of the total milk production for the province of Ontario. I can tell the hon. member that if things were different, if things were as he would like them to be, the people in my riding would do the economic thing and start producing more milk to service our own domestic market, excluding the people of Quebec.

Forty per cent of the industrial milk quota has been allocated to the province of Quebec. I want to assure the member that the people in his riding are very much taking advantage of the federalist system. I would like to bring that to the member's attention.

[*Translation*]

Mr. Canuel: Mr. Speaker, it is a fact that we are interdependent and that Ontario has a production level of 40 per cent. It is a fact that one province can reach agreements with other provinces, but that does not necessarily mean that these agreements will be overseen by the federal government.

Many agreements have been reached with Ontario, on a department to department basis, and both provinces have benefited from then. There were also agreements with New Brunswick. That is how I see the situation. The day we are sovereign, we will be able to negotiate our agreements without having to ask for permission from the head office, the federal government.

We noted that six provinces came to an agreement, and we hope that the other provinces will understand, because it is in their interest to operate with the other provinces. Under such circumstances, they will be ready to move on their own initiative, at their own speed. That is how I see things. This is how the federation should have been operating for a long time, but this is not the way things turned out.

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, I will start by congratulating my colleague for his remarks. I think it was very appropriate for him to talk about the contribution of the people who built his region, Quebec, and several other regions of Canada. The builders of both our nations, Quebec and Canada, are mostly farmers.

Agricultural development gave birth to small villages, some of which later became larger villages and then grew into towns, small and large. In this context, this historical review seemed important as part of my colleague's speech. He also used a rather harsh word to describe the federal government when he talked about the federal monster.

I want to ask him a question about that. What bothers farmers and the majority of people in both our nations, Quebec and Canada, the most is to see the federal government interfering in areas that are not under its jurisdiction. Whether in health, job training, environment or agriculture, the federal government has a tendency to become an administrative monster which sticks its nose everywhere and does nothing really to favour regional economic development.

Quebec would like to have a different kind of relationship with this federal monster. As my colleague mentioned, it would rather have direct agreements with the provinces. Quebec has a lot in common with Ontario. It may have less in common with the western provinces, but it does have strong ties with the United States. So this new kind of state that Quebec would like to become would allow it to negotiate directly with any province that would be willing to make a deal.

Milk is a good example of the economic life of various regions of the country. Of course, Quebec has a higher percentage of milk production quotas, with close to 50 per cent.

• (1610)

However, if we consider the Alberta beef production for example, we can see that Quebec buys nearly 75 per cent of the total production. In that sense, Quebec is a good friend of Alberta since it is a consumer of some of its products. The same thing happens when Quebec makes a financial contribution to the federal state and this federal state distributes the money. When the federal gives this money to western grain producers so that they can produce wheat and sell it on the international market, Quebec is giving back quite a lot to that region of Canada.

The Quebec population represents 23 to 24 per cent of the Canadian population. If we were to receive 23 to 24 per cent of the federal budget for agriculture, we would be getting $800 million more each year. So maybe our quotas are in fact more generous, but as far as financial fallouts are concerned, and I am talking here about direct annual statutory programs, we are losing $800 million a year. This figure does not even include special programs like those announced in the last budget, the $1.5 billion for western diversification for example. However, as announced, Quebec will also suffer cuts of 15 per cent this year and 15 per cent next year, but I heard nothing about a financial compensation for our region.

All the special subsidies awarded to western Canada over the last seven or eight years amount to more than six billion dollars. Quebec contributed one fourth of that sum through its taxes. We have thus been extremely generous towards Canadian products and it would be only fair that, when the time comes to share in another form of economic activity like milk production, we get a larger share. By the way, when the system for western wheat was put in place, sales to China or eastern countries were subsidized by the federal government. This type of production was a lot more profitable than milk production. Farmers in that part of the country were not interested in producing milk.

In other words, if you were a farmer, dairy farming was a job which paid less and was therefore less attractive. We agreed to do it, to develop our industry and improve its efficiency. Now that it is doing well, we are told: "Maybe you got too much". I was surprised by some of the chauvinistic interventions I heard in this debate, yesterday and again today, especially when my colleague from Frontenac was giving us market examples, examples of competition , and also examples from the Reform Party.

Speaking of the Reform Party, and I will conclude on that, I would ask my colleague whether he agrees with what I just said, since he talked about Mr. Claude Rivard, the president of the Fédération des producteurs de lait who said, and rightly so, quoting a respected American editorialist, that the system we presently have is quite exceptional and that the United States would do well to implement one like it instead of trying to destroy it.

I fail to understand the attitude of certain Reform members, when they say: "Abolish it, let free competition take care of it. Let us do it the American way". The most eminent analysts, however, would tell you that the result of the current American system is that they are investing 34 cents on the dollar instead of 49 cents as we do in product development in the dairy industry.

Therefore, that would be far from free competition, that would be abandoning Canada and Quebec to the American market. Regarding this, Mr. Rivard put it nicely when he quoted American economists and he is delighted with the agreement reached between six provinces a short while back at a meeting with 190 delegates. He is delighted that they voted unanimously in favour of the agreement. Bill C–86 is a step in the right direction as far as the Bloc Quebecois is concerned. It is also, I think, what Quebec and Canadian dairy producers have always wanted. They have a very fair system.

It is acceptable to producers, and very inexpensive for the federal government when compared with other interventionist systems, such as the Crow rate, subsidies for western farm production or the eastern fishery. Yes, it is relatively cheap compared to other economic policies.

So, when something is not broken, why fix it? Hence, I congratulate my hon. colleague on his representation and I would be interested in hearing his remarks regarding my comments which could only expound on his speech moments ago.

• (1615)

Mr. Canuel: Mr. Speaker, my colleague has described the situation very well. Over the last 50 years, all of Canada's agriculture ministers, or almost all, have managed to leave our farmers increasingly worse off. My colleague gave a brief description of the situation in Quebec's towns and villages in the 1960s. There were dairies everywhere. Each community processed its own milk, cream and butter. They were all self–sufficient, and there was some assistance from the federal government. Then, the government pulled out almost completely and left people to fend for themselves.

I am very pleased to see that the provinces today are trying to go back to the system of 20 or 30 years ago.

The Deputy Speaker: Before giving the floor to the member for Québec–Est, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment is the following: the hon. member for Saint John—Infrastructure.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I too am very pleased to speak to Bill C–86, at the invitation of my colleague from Frontenac, not only because he has asked me to take part in this debate, but also because agriculture is a topic dear to my heart, although in my riding of Québec–Est there are no farms as such, just a few retired farmers.

It is of interest to me because I recognize the great importance of agriculture to the economic health of a country, and in Quebec we must do everything we can to maintain and strengthen the agricultural economy, and especially the all–important dairy sector. And in addition, because Bill C–86 is a good bill.

Finally, the Liberal government has tabled a good bill, something we do not often see. It is worth mentioning because the very great majority of bills it has tabled to date have been, if not terrible, certainly mediocre and second rate. Take the budget, for instance, which was probably one of the worst proposals ever tabled in this House, a budget in which everything was done to protect the rich in this country and make the poor poorer. One more example of their lack of vision and understanding. Take the Lobbyists Registration Act, another rotten piece of legislation. In fact, there are several bills that have been really disappointing, at a time when the public expected so much of this government. They have been very disappointing indeed.

However, Bill C–86 before the House today is a good bill, I must admit. And maybe it is a good bill because, basically, it was not so much the government as the farmers themselves that initiated this legislation. They were the ones to start the ball rolling. The farmers convinced the government to table this bill. They did everything they could to ensure that this proposal to pool resources and dairy production became a reality. I may add that Quebec farmers and dairy producers were largely instrumental in getting these proposals off the ground. They were actively involved in these plans for pooling dairy production. This is important. We are aware of that.

As was mentioned by other members, there was a problem with dairy production in Canada. Formerly, $3 per hectolitre was collected to subsidize exports of dairy products, mainly butter and powdered milk, which represented about $160 million.

• (1620)

The money was used to support the sales and distribution of these dairy products. Because of the new GATT and NAFTA agreements, Canada can no longer collect this money, because according to GATT and NAFTA, for various reasons this is perceived as money used to support unfair competition.

Canada is eliminating this $3 levy per hectolitre, as a result milk prices will go down. Moreover, milk production in the six eastern provinces, except Newfoundland, namely New Brunswick, Prince Edward Island, Nova Scotia, Quebec, Ontario, and Manitoba, which account for roughly 80 to 85 per cent of milk production in Canada, will be pooled and placed under the authority of one commission, with one price and one milk.

In the past, there was a difference between fluid milk or drinking milk and milk used in processing to make dairy products such as cottage cheese, butter, and powdered milk. From now on, there will be only one class of milk, one system and one price. All the quotas will be pooled, which means that all the provinces which currently have quotas will be able to retain them. Quebec, which accounts for 48 per cent of the total milk production, will keep the same production quotas, and so will Ontario and the other provinces.

This new commission, which hopefully will be able to get along with the provinces and operate as efficiently as possible, will have increased powers enabling it to deal with the export of milk based products. It would also be responsible for pricing and selling quotas, for instance. Provinces will be allowed to trade quotas.

However, we must admit that the main advantage of this new formula is that dairy production risks will be spread among dairy producers in eastern Canada, and that it will allow them to share the costs of managing the system. No doubt this will reduce the administration costs of the system, and we hope it does.

I will make the point, and it is a point that must be made: dairy production is very important to Quebec. In fact, the entire agri–food system is very important. For example, in 1993, Quebec exported over $1.5 billion worth of natural foodstuffs and, in 1994, it increased these exports by almost 5 per cent over the same period in the preceding year.

In 1989, for example, dairy products in Quebec represented 35 per cent of the province's total agricultural revenues and 38 per cent of Canada's dairy revenues.

The dairy industry in Quebec is beyond a doubt one of the largest industries and therefore it must be preserved and protected at all cost.

• (1625)

Bill C–86 will result in the economic integration of this whole sector, with milk production being consolidated under a new Canadian Dairy Commission. This is one way of protecting the common interests of all the provinces. Dairy producers are united in protecting themselves and this vital industry.

It must be said that the supply management system, particularly in the dairy sector, came under a lot of criticism in the past. The members of the Reform Party said it would be better to

eliminate the supply management system, because they prefer free competition.

My colleague for Richelieu pointed out that it was not a good idea to eliminate the supply management system. On the contrary, if we compare our system with the American one, we see that we are well off with our own. My colleague for Richelieu drew attention to an article by Claude Rivard, president of the Fédération des producteurs de lait, in which Mr. Rivard quotes two editorials in *Hoard's Dairymen*, which is apparently the Bible of American farmers.

The two editorials in this "Bible" noted that dairy producers had lost production value, in that an increasingly large part of the market had been taken over by wholesalers, food chains and supermarkets, to the detriment of farm producers. In other words, dairy producers in the United States have lost money. They have become poorer, they have suffered the highs and the lows of an insufficiently controlled market.

The editorial in *Hoard's Dairymen* recommended that the United States develop a system like Canada's, that is, a system in which supply can be adjusted to suit demand. It pointed out that the supply management system in Canada is highly efficient. We know it is.

We know that dairy production is volatile because production can be easily increased. Without a system to adjust production to supply, prices would vary significantly. Therefore the supply management system is a good one. It is better than the one in the United States and warrants keeping.

Bill C–86 does just that: it makes dairy producers feel safer, more secure about this system being maintained, now that they have pooled their resources. This strengthens this branch of the industry and gives some indication of what lies ahead for them. This bill clearly shows that, contrary to the fears raised by certain individuals about quotas going down in value, the supply management system disappearing or this entire sector declining in the coming years, the system will be maintained, and I might add, even after Quebec has become sovereign.

• (1630)

We must conclude from this bill that, even after Quebec has become sovereign, the supply management system will almost certainly be maintained. That is normal since, as we know, this bill was developed in response to international agreements such as NAFTA and GATT. It is an attempt to adjust to these agreements, which will be maintained after Quebec has become sovereign.

We know that Quebec as well as Canada will accept the requirements of both NAFTA and GATT, according to which there should be no unfair competition and no new tariff barriers or other barriers like those currently encountered.

Again, this is very reassuring to dairy producers since all dairy producers, from Nova Scotia to Manitoba, are now together in the same system. It will certainly be to their advantage to stick together, not only because this is an excellent system, a system that will maintain reasonable levels of production and income for them, but also because it keeps American producers at bay.

If this system were to disappear tomorrow or be rejected all of a sudden, then we would obviously have to compete with the Americans, and our dairy producers might have a hard time staying in business, in spite of the fact that they may offer higher quality products than the Americans.

This threat from the U.S. would be quite worrisome for producers, be they in Manitoba, Quebec or Nova Scotia, if they did not stick together, if they did not join in this pooling system. We can even predict that if Manitoba or Ontario decided to opt out of the pooling system after Quebec achieves sovereignty, this would create problems not only for that province and for Quebec but also for all the other provinces. The whole system could collapse, when it is beneficial to all dairy farmers in all six provinces.

It would therefore be illogical, even irrational, and certainly economically harmful to bring down the system being set up under Bill C–86. This system is beneficial to all dairy farmers and will be maintained after Quebec achieves sovereignty.

Quebec must achieve sovereignty, and it is in the farmers' interests to acknowledge that this will be good for the country as a whole because Quebec will want to repatriate the powers it needs in other sectors. However, dairy farmers in Quebec will be allowed to maintain this pooling system, which is beneficial to them and to their counterparts in other provinces. Upon achieving sovereignty, Quebec will be able to uphold the agreements in this sector and those that will be negotiated in other sectors.

• (1635)

In fact, some economists published a report yesterday that explained that because of GATT and NAFTA, similar economically sound administrative agreements in other sectors will be maintained and will continue to exist.

Once again, we have people saying that the end is near, that new borders will arise, that there will be customs check points between Quebec and Ontario. This is all purely hypothetical and just a lot of scaremongering. We know that even Europe has simple administrative systems that would work in Canada, between Quebec and Canada, and would not prevent free circulation of goods and services or alter generally beneficial agreements that exist now, like the pooling system to be implemented by Bill C–86.

All this will continue. There is no reason to believe it would not, and the same applies to other sectors. There is every indication that this is what will happen. In fact, farmers know

that the federal system here in Ottawa constitutes the greatest single threat to the agricultural sector. We have said this so often it has become a—

An hon. member: A truism.

Mr. Marchand: —a truism that Quebec has been treated unfairly by the federal government. This has been going on for years. If Quebec really received its fair share, it would have had as much as $800 million annually. Quebec got a raw deal under the federal system. In fact, one of the threats to the dairy system, for instance, is BST.

BST is a major threat, and this is very disturbing. The fact that they want to introduce BST in Canada is very disturbing indeed. I think it is totally unacceptable, and all dairy producers should be up in arms, and consumers as well. Introducing BST in milk, in this pure product, is almost sacrilege.

This is all very disturbing. I think Quebec is well advised to get out of the federal system because the system is falling apart and heavily in debt. Canada has been warned twice during the past three years. The International Monetary Fund warned Canada it would have to turn its economy around because it was teetering on the brink. It seems our public finances are out of control. It is like a ship sinking in the middle of the ocean, and people who think the federal system is here to stay should remember the *Titanic*.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened with great interest to the hon. member for Québec–Est. He often performs eloquently on agricultural issues. However he speaks of a fairy world in which we can have our cake and eat it too.

The member talked about the fear of the American market system and protecting his own people, the farmers of Quebec, from the American marketing system. The uniqueness of that is that America is a nation state. We are not talking about Canada being a group of 10 nation states; we are talking about Canada being a federalist state. Perhaps the member has not studied economic history, but sovereign states basically take care of their own people first. The concept is the welfare of the people who live within that country.

• (1640)

The GATT negotiation is a way of playing baseball. We are to play a game and these are the rules. Each team is trying to win. Each team is trying to be effective. It is an illusion to have a pooling system, keep all the good things and have a sovereign state. To argue that we are going to keep the good and do away with the bad is not how it works in reality. It has not worked in any country. Sovereign nations will take care of their own people first.

Farmers in Quebec are the highest per capita income earners of all farmers in Canada. How could the member argue that they have been taken advantage of or that they are at a great disadvantage in the federal system when they are the best off economically of all farmers in the country?

Mr. Marchand: Mr. Speaker, it is obvious that Quebec farmers are disadvantaged. It has been written all over federal budgets for years. We had proof of that again recently. We are reducing subsidies to milk producers in Quebec by 30 per cent. That affects Quebec. It certainly affects Ontario as well. However it is a known fact that Quebec has never got its share of federal dollars in terms of agriculture. It has received much less than its share. There is no doubt about it.

If agriculture in Quebec is strong and well developed it is because we have good farmers. It is not at all due to the federal government. We would have had a stronger agriculture sector if the federal government had acted fairly with Quebec farmers.

It is not a fairy world to speak about the GATT and free trade. It is obvious that the GATT and free trade with the United States have rules. They set ways that commercial interests can trade functions. We know as well that the understanding and trade relations which exist now, today, tomorrow and every day before Quebec sovereignty will continue afterward because that is one of the principles of the GATT. Economic relationships will not disappear overnight.

My hon. colleague is the one who is dreaming when he thinks that the GATT has no weight. It is quite the contrary. The negotiations have weight. The structure that will be put in place by Bill C–86 will be respected by all other trade bodies, whether it be the GATT or anything else.

I am not dreaming at all. We are not speaking of any kind of fairy world when we say the agreements that were taken or will be taken now will continue after Quebec sovereignty. It is entirely logical and entirely reasonable. Farmers today are undertaking the agreements in a very economic, reasonable and logical way. There is nothing emotional involved. It is in their best interest and it will be in their best interest after sovereignty.

The milk producers of Manitoba and the milk producers of Ontario are not interested in United States milk producers competing with Canada or Quebec. The same reasoning is applicable elsewhere, like in Quebec and in every other province. They are not interested in having U.S. competitors coming into Canada. Besides, free trade does not allow it at the moment. GATT does not allow it either. It will not allow it after sovereignty. These agreements go beyond Quebec sovereignty. These are international agreements.

• (1645)

The minute Quebec becomes sovereign, it will belong to GATT. There is no reason to even deny that Quebec will belong to GATT. We are living in a civilized world here. We are living in a civilized world where people respect each other and respect agreements that are signed in a reasonable way. Some people are less civilized than others, certainly. Some people also see problems where there are no. problems. They create fear but there are no foundations to those fears.

The Deputy Speaker: Resuming debate. With apologies for not recognizing him earlier, the hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, no apology is necessary. The mistake was at our end but nevertheless it is a pleasure to rise to address Bill C–86.

Talking specifically to the bill, this is an act to amend the Canadian Dairy Commission Act. The purpose of the bill is to amend the act to provide for the replacement of the existing system of levies with a system of pooling market returns from different classes of milk. The idea of this bill is to bring that levy system into alignment with Canada's international trade agreements.

I am the first one to admit that I do not know a tremendous amount about milk production. I am certainly a milk consumer. I go to the 7–Eleven and buy milk. I put it on my cereal and am happy to drink it, but I have only milked a cow once in my life. Apparently it is all in the wrists, but I had very little luck with that.

I will speak a little on the idea of trade. I will also talk a little from my perspective as somebody who comes from a rural constituency about the obvious need to be sensitive to the farm community and the agricultural community while at the same time recognizing the realities out there.

Certainly the reality today in this country and around the world is that we are moving more and more toward free trade. My hon. friend from Québec–Est has just spoken at length about how Quebec is a sovereign country, and if it should ever become a sovereign country, heaven forbid, how it would somehow turn the tide against free trade or be a hold out to free trade. It would protect itself from free trade as though free trade were like a cafeteria where you could pick and choose the agreements you wanted to make.

Of course, that is unrealistic. It took around 100 countries to get a GATT agreement. I remind my hon. friend from Québec–Est and my friends in the Bloc that coming up in the year 2000, which is not very far away now, we are going to see another round of negotiations where undoubtedly tariffs will continue to fall. More and more pressure will be put on Canada and countries like ours that have supply management systems. We are eventually going to have to open up.

I also point out to my hon. friend that under the NAFTA agreement and certainly under any new NAFTA agreements that would come as a result of allowing countries like Chile and other Latin American countries in, we are going to have to see things open up.

Although I am somewhat sympathetic and I have heard from my friends about how supply management has served Quebec well in the past, particularly individual farmers, I can completely understand how important agriculture is to a province and to a country. It does not only produce agricultural commodities but it also produces a lifestyle. It produces income and people with fine character. That is very important and I believe in that.

We are doing people a disservice if we are not straight with them, if we do not tell them what the reality is. The reality is free trade is coming our way and the best thing we can do now is to begin to make adjustments so that we can survive in that free trade environment.

• (1650)

Yesterday I watched on television as members of the Bloc and members of the government debated back and forth about whether or not Quebec was going to stay in Canada, what it would be like if it was outside of Canada and so on.

People must remember that there is a third option. We do not have to settle for status quo federalism, which not only the people in Quebec are upset about, but also the people in the west. The people in my constituency of Medicine Hat are very upset with it.

We do not have to settle for sovereignty. In fact, I understand my Bloc friends are moving away from sovereignty. Pretty soon, who knows, maybe they will be committed federalists the way they are moving around here.

An hon. member: They voted for the pension.

Mr. Solberg: They did vote for the MP pension. That is notable. They are quite happy to take those Canadian dollars when it comes to pension plans.

There is a third option. It is important for dairy farmers in Quebec and all over the country to note that. Because only when we consider the third option can we make the argument that Canadian dairy farmers can still have a viable industry down the road. They need not fear the American juggernaut because there are ways to make dairy farmers in Canada competitive so they can not only survive, but can thrive in the free market environment.

Let me talk for a moment about that third option. Canadians have been telling us that one of the biggest issues of concern to them is the debt and the deficit. The government has taken some baby steps to deal with that but those steps will not be adequate. The reason that should be a concern to dairy farmers and anybody who is in business is that with every day that goes by, we go another $90 million to $100 million in the hole. Eventual-

ly we have to pay interest on that. Of course taxes have to go up to keep paying the interest on the debt and deficit. Every second that goes by we go in the hole another $1,036. It is $90 million to $100 million a day. Now our total debt is $551 billion and climbing.

One thing that must happen in order to make dairy farmers around the country competitive is we have to balance the budget. We have asked the government over and over again to the point where some people have become weary of it, but it is an important issue. We have asked the government to tell us when it will balance the budget. It has refused to do that. By refusing to do that it sends a very negative message which also hurts dairy farmers and anybody who is in business. The government sends a message to the markets that it is not prepared to deal with the problem seriously. Thus we have high interest rates which again penalize particularly people in the agriculture industry.

Before Canadian agriculture can be competitive with farmers around the world, we have to get those interest rates down. Right now there is an approximate 3 per cent differential with the United States. That is a huge competitive advantage for the United States. We have to beat that down.

If we can get a hold on the deficit and the debt we will slay two dragons. We will slay the dragon of high interest rates and the dragon of high taxes, which make it very difficult to do business in the country and compete internationally.

That is the option Reform is offering. It is one that the federal government certainly has not talked about. Of course, our Bloc friends would just as soon be out of the country so they have not really offered any constructive ideas for dealing with the debt and the deficit.

While we are on the subject, Reform has also talked about the need to pass language and cultural issues down to the provinces. That would solve a lot of concerns people in Quebec have about confederation and federalism as it is today. We are sensitive to the fact they wish to preserve their language and culture. Reform agrees with that. We believe there can be a way of accommodating the desire of provinces to have control over language and culture in a large country such as Canada where there are many different interests.

There are many other things we could talk about and many other arguments we could make for our vision of federalism. I hope those two address specifically some of the concerns that Quebec dairy farmers would have about competing more in a free trade environment.

One thing that is going to be happening in the near future and which the government has talked about is the need to expand the NAFTA.

• (1655)

The talk is that Chile will become involved very quickly in NAFTA. When that happens there are many people who suspect that the Americans will argue for more of an opening up of some of the protection we now provide for supply management. If that happens, if government is committed to expanding the NAFTA agreement as it says it is, there must be some accommodation to some of our trading partners to open these things up. Frankly, I would be surprised if the government denied that it was going to have to open things up a little bit more.

Setting that aside for a moment, we have already talked a bit about the GATT agreement which will be renegotiated in a few years time and undoubtedly tariffs will be coming down more. Given that reality, I say to my Bloc friends across the way that they are doing the dairy farmers in their own province a great disservice by telling them, leading them on and making them think that there is some way we can preserve the status quo. Well there is no way.

The best example of that, which my friend from Kindersley—Lloydminster pointed to earlier on, is what happened when the government made changes to the WGTA. People out west are saying: "Yes, WGTA is coming to an end. We do not have a problem with that, but it would be nice if we could have had a little notice. It would have been nice if we could have made some of the changes that we needed to make to the transportation system so that we could compete in that free market environment".

On the one hand, we are moving away from the free market environment by dumping the WGTA, which is fine, but on the other hand, the transportation system is still not responsive to a free market environment. Unfortunately, in the next year or so at least and probably three years, farmers in the west are going to be caught in that situation. That is unfair and really reflects poor planning on behalf of the government. It hurts people. I believe many farmers in the west may have to go out of business because of that very poor planning on behalf of the government.

Let us not repeat that mistake now by permitting dairy farmers across the country to think that somehow we can hold on to the status quo. The fact is that free trade is coming.

As I mentioned at the beginning of my comments, I do not know a lot about the production of milk but I do know a little bit about the consumption of it. I want to address some of the comments the member for Québec–Est made with respect to how this benefits dairy farmers.

I remind my hon. friend that there has to be a balance here. Consumers need to be considered when we talk about these things. When my friend talks about how dairy farmers in the United States are suffering and this that and the other thing, he should know that consumers are benefiting by the fact that there

is that competition. If anyone doubts that, they need only cross the border and look at the difference in the price of cheese, butter or milk compared to Canadian prices.

I do not think the difference in those prices has to be the difference in profit margin between Canada and the U.S. If we could get our act together by getting our own input costs down, I think our own dairy people can be extremely productive and profitable. However, the key is for us to deal with that debt and deficit.

When consumers have more money in their pockets by virtue of lower prices for things like milk, butter and cheese, they can also buy more of them. However, when they are very expensive because supply management builds in what I think we would regard as some inefficiencies, then people are a little bit more squeezed when it comes to buying groceries and they just cannot buy the same quantities they would be able to buy otherwise. That is something I would like my friend from Québec–Est to consider.

I talked a little bit about the debt and the deficit and the need to offer a third option. One of the things that came up yesterday in debate between the Liberals and the Bloc was the whole idea of the status quo federalism versus separation.

• (1700)

One of the things happening lately with the Bloc Quebecois and the Parti Quebecois is they have been sending out signs that they are moving more toward the idea of sovereignty association and who knows what now. There has been a lot of talk about their having all kinds of internal problems and about some people being perhaps more committed to federalism than they would like us to believe.

We would like to offer a chance to our friends in the Bloc Quebecois to take the extra step, come a little closer and consider Reform's vision of a decentralized Canada in which provinces will have their rights respected under the Constitution, in which we absolutely and completely support their rights to make some of the decisions that affect their well–being but on the other hand still allow them to remain part of one country and have more control of some of the things important to them in terms of international trade by virtue of the fact that they are part of one big country. They are not tiny countries among 150 in the world. They are part of Canada. Canada carries tremendous weight by virtue of its reputation and its size in terms of its economy.

We encourage our friends to consider this when they are talking about international trade. Obviously when we have more trade in the world because of a larger economy we will be able to make better agreements. We encourage our friends in the Bloc to think about that as well.

Any time the government brings forward legislation which brings rules and regulations in line with international agreements it is a step in the right direction. There are still some provinces concerned about the bill. We respect that.

I encourage the government and members of the Bloc Quebecois to continue to move toward agreements that recognize the reality that we must have free trade. It is where everyone is heading.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened with interest to the hon. member.

He talked about competition. He envied the American agricultural system and its milk producers. In Canada milk producers are better compensated than their American counterparts.

Even so, the top 10 per cent of dairy producers only receive about 5 per cent return on their invested capital. Clearly from a business operation Canadian farmers are far from being wealthy. The hon. member is speaking about emulating a system that will make Canadian farmers far poorer than that.

It is interesting that we have had both the Bloc and Reform members on their feet today speaking about the same system. They are talking about decentralizing, weakening the federal system.

The NAFTA and the GATT have already weakened the federal government's ability to exercise economic policy within our borders. By decentralizing even further and allocating more powers to the provinces there is a point at which there would be nothing left. That is what both of these parties basically want to do. I am very happy to belong to the governing party which understands the need for national standards and national policy.

We are debating a pooling agreement which draws to our attention the importance of a federal system with provinces and the federal government setting national standards, in this case for the pooling of milk.

• (1705)

It has the possibility of being downloaded to the provinces by certain authorities. At the same time it is establishing national standards. I believe some of my colleagues in the Reform Party would do the reverse. They would have each province make its own agricultural policy as it affected them.

I would like the hon. member to address whether they are in favour of a supply managed system Canada or an American free market system with lower incomes to farmers than in the Canadian system.

Mr. Solberg: Mr. Speaker, the hon. member has asked the wrong question. He asked if we are in favour of supply management as if that is a long term option. The hon. member should be

completely up front with his own constituents, the people of his province and the people of Quebec. He must know that although the government fought against NAFTA it has signed on to it. It said it did not really believe in the whole thing but it has signed on to it. He must know supply management as it exists today is not a long term option.

We are moving toward free trade so there is no point in pining in some sentimental way for the way things used to be 20 years ago. Tariffs are dropping every year. Ultimately we will see a situation, since the government signed the agreement, in which dairy producers will have to compete more on a premarket basis.

Let us not complain about the way things are and how they used to be. Instead, let us get ourselves ready. The best way to do that is to get rid of the taxes. The hon. member talked about the American system. The one thing I admire about the United States is it has been able to hold its taxes down which gives it a tremendous trade advantage.

We will be in the hole $32 billion this year. By the end of the government's term it will be over $100 billion. The Liberals are adding to it when they reap huge rewards through their MP pensions, but that is another debate.

The point is we have to get a handle on the debt and deficit so we can get the taxes down so dairy producers and all business people will be competitive. Let us not be sentimental about the past. The past is past. Let the dead bury the dead; let us get on with the future and start making the changes we have to make in order to be competitive.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, I see that the Liberals are anxiously waiting for my comments. I hope I will not disappoint them.

I am very pleased to take part in this debate for two specific reasons. First, there is the importance of agriculture for the economy of my riding and my region of Estrie, the Eastern Townships. However, I also want to discuss certain arguments raised during this debate on Bill C–86, particularly this idea that, according to our federalist colleagues, once Quebec becomes sovereign, it would be impossible to preserve any form of agreement between Quebec and the rest of Canada.

First, I want to point out that the Eastern Toownships, where I come from, and particularly the riding of Mégantic—Compton—Stanstead, which I represent here, produce 2.6 million hectolitres of milk every year. This translates into net annual revenues of over $130 million for producers.

• (1710)

Dairy producers in the riding of Mégantic—Compton—Stanstead alone provide 1.2 million hectolitres of milk per year, which amounts to more than $60 million in net revenues. Roughly 50 per cent of the milk produced in the Eastern Townships comes from the riding of Mégantic—Compton—Stanstead. Although I did not make an in depth study of the location of producers in my riding, I would say that three quarters of the production comes from the Coaticook region, which is known, not only locally, but throughout Quebec and even Canada, as the top milk producing region.

Each year, the beautiful city of Coaticook holds its dairy festival. This event is an opportunity to fully recognize the importance of that industry in my region and in my riding. It is also an opportunity for our fellow citizens to celebrate, to meet, and basically to enjoy the fruits of their labour. This is one of the reasons why I really wanted to take part in this debate.

I said a moment ago that I wanted to focus more on the relations between states, or to put it another way, between economic partners in the Canadian economic union, rather than on the actual substance of Bill C–86. My colleague from Frontenac, the Bloc Quebecois agriculture critic, has brilliantly, as always, explained why the Bloc Quebecois supported this bill.

He is very familiar with the subject, with all aspects of the bill, and was able to substantiate his arguments, unlike the Liberal members opposite, of course, and our colleagues in the Reform Party, who would like to see a system of free enterprise, with no constraints whatsoever, a sort of no holds barred capitalism really, such as we had a number of years ago, and such as can still be found in some parts of the United States.

Often our Liberal and Reform colleagues, and the member for Kingston and the Islands is a good example, use the word "separation" when speaking about the sovereignty of Quebec.

Mr. Milliken: That is what it is.

Mr. Bernier (Mégantic—Compton—Stanstead): The Liberal party, the Liberal government, which is using our taxes to conduct all sorts of opinion polls, saw that using the word "separation" worked to their advantage, because it struck fear into the hearts of Quebecers, and could lead to a "no" in the referendum.

• (1715)

When people look more closely at what sovereignists are saying, when they take the time to really listen to what they have to say, they see right away that the sovereignist message is one of openness, of self–confidence.

To put it briefly, what sovereignists want is for us to be able to look after our own affairs in Quebec, to be able to make our own decisions about the kind of society we wish to build, the kind of

society we wish to live in, and to be able to determine, on the basis of our needs, our interests and our values, what we want to share with our neighbours and with which of our neighbours we want to do business. That is what Quebec sovereignty would mean.

Let me give you a few examples. During Canada's 1988 election campaign on free trade, one of the strongest proponents of the free trade agreement with the U.S. was Bernard Landry, who is now Quebec's Deputy Premier.

I would say that he spoke up in just about every forum. He was then a staunch ally of the Conservative Party, arguing that it was necessary, not only preferable but essential, for the economy of Quebec and Canada as a whole to expand our markets and sell more products to the Americans, the U.S. being our closest neighbour.

This was acknowledged by then Prime Minister Mulroney, who, on several occasions, used the example given by Bernard Landry to say what a decisive role it played in that election campaign. Well, Mr. Landry is a convinced and convincing sovereignist, an active politician who, for more than 30 years—without adding years to his real age—, has been defending this theory with brilliance and eloquence.

A few days ago, at a fundraiser for the Parti Quebecois in Montreal, the Premier of Quebec, Mr. Parizeau, told business people, and I quote: "We may be a small country in terms of population, but we are successful, fulfilled and wealthier". Mr. Parizeau did not give any examples, but he could have mentioned Norway, Sweden, Finland and Switzerland, small countries whose populations are roughly the same as Quebec's. Mr. Parizeau went on to say, "We may have a small population and still be a prosperous, wealthy society, on one basic condition: that we have access to large markets without ever giving up our identity".

That is what was said by the Premier of Quebec, Mr. Parizeau, whom our Liberal friends call a separatist. In fact, Mr. Parizeau said this: "What I personally want for my people, my nation, is for us to decide to take our collective future into our own hands and decide what we want to share with others". Like all sovereignists, he acknowledged the need to have as open a market as possible.

• (1720)

In that sense, Quebec sets a fine example with this Bill C–86 before us, since it was based on the Quebec model that the agreement was entered into by all the provinces, and I repeat the provinces, because all the federal government has to do is pass legislation in the House of Commons recognizing this de facto situation. It is a good thing that the federal government is not involved; it would only make matters worse.

So, based on the Quebec model, it is possible to enter into agreements with our Canadian, American and international partners, as it is recognized that this kind of decision must arise from mutual interests and have something in it for everyone involved.

I want to stress that Bill C–86 is an excellent example. Six provinces have already approved the agreement, while three others still have reservations. We are letting them think it over. That is what co–operation is about. That is what I call openness. Why impose one's views on everyone else? Give people a chance to change their mind. We have to be open to the world. That is what Quebec sovereignty means.

In the minutes remaining, I would like to address government intervention and its negative impact on the economy in general, and the agricultural industry in particular, seeing that the debate is on agriculture.

I shall refer to an article published in *La terre de chez nous*, which, I should point out to our colleagues opposite, is not the Bloc's official newspaper. It really belongs to the agricultural community and provides farmers with information on what is happening in their region and elsewhere in the industry.

In the latest edition of *La terre de chez nous*, for the week of May 11 to 17, 1995, editor in chief Claude Lafleur quoted an example of inconsistent and harmful interference on the part of the federal government based on the implementation of the finance minister's budget that we have been debating in this House these the past few months. What example is that? I urge my Liberal colleagues to pay close attention to what Mr. Lafleur said, as it contradicts what their little red book says.

What did Mr. Lafleur say? The president of *La terre de chez nous* told the agricultural industry that it should expect the worst from the finance minister's budget, adding that it was a real Pandora's box, that new harmful effects were discovered every day, and that it would probably never end, unless, of course, Quebec decided to assume full authority.

Mr. Lafleur also had this to say: "Indeed, this is not the last of the bad news coming from the Martin budget. For example, the federal government just announced that it was withdrawing from the agricultural employment services program". That comment was made in reference to the red book. The Liberals were elected under false pretenses in 1993, when they campaigned with their red book and insisted on the importance of creating jobs.

• (1725)

But what are they doing now that they are in office? They axe agricultural employment services, a successful program which has been in place for over 20 years. During the last year, the minister—whom I once called the minister of human resources impoverishment, but whose title really is Minister of Human Resources Development—asked the UPA to reach an agreement with his department to ensure the maintenance of these agricul-

tural employment services, which provide farmers with a qualified manpower when they need it.

Only a few months ago, the minister said: "We have an agreement with the UPA in Quebec to keep these services going". Then in the Martin budget, the government decides to axe this program. It will be cut by 20 per cent in 1995–96, 40 per cent in 1996–97 and dropped altogether in 1997–98. This example does not come from the Bloc Quebecois or the separatist Minister of Agriculture in Quebec but from the editor in chief of *La Terre de chez nous*, Claude Lafleur, whose integrity is well known and whose objective approach to the issues can certainly not be faulted by our Liberal friends.

That is a very real example of the Liberal government's negative impact on agriculture. I will conclude, Mr. Speaker, since you are signalling I have only two minutes left. I would like to ask for more time, but I know it is no use trying since I would not get unanimous consent. So I will simply ask them to come back next time, and maybe some day they will understand.

In concluding, I would like to comment on what was said by the hon. member for Medicine Hat who expressed so well and so consistently the Reform Party's position on trade between regions and between countries. Reform Party members want to see a return to a genuinely free market without government constraints. The hon. member for Medicine Hat said that, if we want a more open market, which is what sovereignists want as well, as I said earlier, we cannot have a supply management system.

I simply want to say the hon. member is mistaken. Supply management is a way to deal with domestic problems. Its role is not to regulate international trade or trade between regions. So we can have a supply management system, and still open our borders to international trade.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADA ELECTIONS ACT

The House resumed, from May 16, 1995, consideration of the motion that Bill C–319, an act to amend the Canada Elections Act (reimbursement of election expenses), be read the second time and referred to a committee.

The Deputy Speaker: It being 5.30 p.m., pursuant to the order adopted on Tuesday, May 16, 1995, the House will now proceed to the taking of the deferred division on the motion by Mr. McClelland at second reading of Bill C–319.

Call in the members.

[*English*]

Before the taking of the vote:

The Deputy Speaker: The division will be taken row by row, starting with the mover and then proceeding with those in favour of the motion to the back of the Chamber. Then those in favour of the motion on the other side of the House will do the same.

[*Translation*]

Those opposed will then be recorded in the same order.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 223*)

YEAS

Members

Abbott
Assad
Barnes
Bevilacqua
Bridgman
Brushett
Bélair
Calder
Chamberlain
Cohen
Copps
Crawford
Dhaliwal
Discepola
Duncan
Fewchuk
Flis
Forseth
Gagliano
Gerrard
Goodale
Grey (Beaver River)
Guarnieri
Harb
Harper (Simcoe Centre)
Harvard
Hickey
Hubbard
Iftody
Keyes
Lastewka
Lincoln
Malhi
Massé
McKinnon
McWhinney
Milliken
Mitchell
Nunziata
O'Reilly
Paradis
Peric
Phinney
Proud
Rideout
Robichaud
Schmidt
Shepherd
Simmons
Speller
Steckle
Stinson
Telegdi
Ur
Vanclief
Walker
Whelan
White (North Vancouver)
Young —117

Alcock
Augustine
Beaumier
Boudria
Brown (Oakville—Milton)
Bryden
Bélanger
Cannis
Chan
Collins
Cowling
Cummins
Dingwall
Dromisky
Easter
Finestone
Fontana
Frazer
Gallaway
Godfrey
Graham
Grose
Hanrahan
Harper (Churchill)
Hart
Hermanson
Hill (Macleod)
Ianno
Jackson
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
Maloney
McClelland (Edmonton Southwest)
McTeague
Meredith
Minna
Morrison
O'Brien
Pagtakhan
Patry
Peters
Pickard (Essex—Kent)
Ramsay
Ringma
Rompkey
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
St. Denis
Stewart (Northumberland)
Szabo
Tobin
Valeri
Volpe
Wappel
White (Fraser Valley West)
Wood

NAYS

Members

Ablonczy	Adams
Allmand	Assadourian
Asselin	Bachand
Bakopanos	Bellehumeur
Benoit	Bergeron
Bernier (Mégantic—Compton—Stanstead)	Breitkreuz (Yorkton—Melville)
Bélisle	Caccia
Canuel	Caron
Chrétien (Frontenac)	Crête
Culbert	Dalphond-Guiral
de Jong	de Savoye
Deshaies	DeVillers
Dubé	Dumas
Epp	Fillion
Finlay	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gagnon (Québec)	Gilmour
Godin	Guay
Guimond	Hanger
Harper (Calgary West)	Hill (Prince George—Peace River)
Hoeppner	Hopkins
Johnston	Lalonde
Landry	Langlois
Laurin	Leblanc (Longueuil)
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
Mercier	Ménard
Nault	Picard (Drummond)
Plamondon	Reed
Regan	Sauvageau
Solberg	Taylor
Terrana	Thalheimer
Tremblay (Rimouski—Témiscouata)	Venne
Wayne—67	

PAIRED MEMBERS

Bernier (Gaspé)	Bertrand
Blondin-Andrew	Bonin
Bouchard	Brien
Cauchon	Daviault
Duceppe	Dupuy
Gaffney	Gauthier (Roberval)
Jacob	Lavigne (Beauharnois—Salaberry)
Marchi	Mifflin
Murphy	Nunez
Ouellet	Parrish
Paré	Peterson
Pomerleau	Robillard
Rocheleau	Rock
St-Laurent	Tremblay (Rimouski—Témiscouata)

• (1755)

[*English*]

The Deputy Speaker: I declare the motion carried.

Mr. Milliken: Mr. Speaker, I think you will find unanimous consent in the House to revert to Government Orders for the purpose of disposing of Bill C-86, which was under debate before the interruption. I think there is consent in the House to complete that bill right now without further debate.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN DAIRY COMMISSION ACT

The House resumed consideration of the motion that Bill C-86, an act to amend the Canadian Dairy Commission Act, be read the second time and referred to a committee.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

The Deputy Speaker: Accordingly, the bill stands referred to the Standing Committee on Agriculture and Agri-food.

Motion agreed to, bill read the second time and referred to a committee.

[*Translation*]

The Deputy Speaker: It being 6 o'clock, the House will now proceed to the consideration of Private Members' Business as listed in today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

AIR-INDIA DISASTER

Mr. John Nunziata (York South—Weston, Lib.) moved:

That, in the opinion of this House, the government should take immediate steps to initiate a royal commission of inquiry into the Air-India disaster of June 23, 1985 which claimed the lives of 329 people.

He said: Mr. Speaker, June 23, 1995 will be the 10th anniversary of what is and was the worst mass murder ever in Canadian history. Three hundred and twenty-nine people lost their lives on board Air-India flight 182 while over the coast of Ireland.

The flight originated in Vancouver. Of the deceased, 280 were Canadians, 80 of whom were children. In the 10 years since the tragedy, a royal commission of inquiry has not been held. There has been no parliamentary inquiry whatsoever into this terrorist act.

I remind hon. members there was an inquiry in Ireland. There was another inquiry in India. Notwithstanding that over 280 people on board were Canadians, the Mulroney administration refused to initiate a royal commission of inquiry.

It is essential an inquiry take place in order for the people of Canada, the people of the world, to understand exactly what transpired both before and after the tragedy on June 23, 1985.

There is evidence to suggest the Government of Canada in the months before June 1985 was warned there could be or would be a serious act of terrorism by Sikh extremists in Canada.

June 1985 marked the first anniversary of the storming of the Sikh holy temple at Amritsar. The Indian government stormed the most holy place in June of that year and a number of people were killed. As a result Sikh extremists worldwide were suspected of planning retaliatory measures to seek revenge.

The government of India, aware that the first anniversary was coming up, gave a specific warning to the Government of Canada and in particular to the foreign affairs department, at that time headed by Joe Clark, that there could be an act of terrorism.

Notwithstanding the advanced warnings, there was absolutely no enhanced security for this flight. The X–ray machinery that would examine the luggage boarded on to the ill–fated flight broke down and instead of the bells and whistles going off the luggage was simply loaded on to the plane and scanned with a hand scanner.

In view of the warnings given to the Government of Canada, the luggage should have been more thoroughly searched by hand or they should have waited until proper machinery was in place.

• (1805)

During the weeks preceding the disaster the Prime Minister of India was scheduled to visit the United States. The American authorities were able to uncover a plot to assassinate Rajiv Ghandi at the time. It was determined there was a link between those alleged to have conspired to assassinate the Indian Prime Minister and a Sikh extremist group in British Columbia.

The security intelligence service, our secret service, was monitoring the activity of Sikh extremists in Canada, particularly in British Columbia. Not only was it trailing a prime suspect in the Air–India and the Narita bombing acts of terrorism, it also tapped their telephone lines.

In the weeks preceding the Air–India disaster CSIS agents actually saw the two prime suspects detonate a bomb in the woods outside of Duncan, British Columbia. Notwithstanding this information and in spite of the fact that they were actually listening in on telephone conversations, they discontinued the surveillance on these two individuals. Why did they do that? They assumed these people were constructing bombs to be used in acts of terrorism outside of Canada. Why did they not take action on the wiretap evidence they had? The evidence obtained was in the Punjabi language. There was no Punjabi speaking CSIS agent to translate this information. The information received as a result of these interceptions could very well have led the police to foil this act of terrorism.

In my view the Government of Canada of the day was grossly negligent. Is it any wonder the government was subsequently party to a settlement with the families of the victims? It contributed an estimated $20 million to a compensation fund for the families of the murder victims, and that was also a big secret. If there was no negligence on the part of the Government of Canada, why did it contribute to the compensation fund?

There are many very disturbing unanswered questions in this tragedy. To put this tragic act of terrorism into perspective, this was and continues to be today the most hideous act of aviation terrorism ever. The Pan Am Lockerbie terrorist act took a significant number of lives but nowhere near the number in the Air–India disaster. It was the worst mass murder in Canadian history.

That is the backdrop and when we look at the involvement of the various government agencies we have to ask whether the response of the Government of Canada was adequate in the circumstances.

Following the act of terrorism in June 1985, the security intelligence service erased two–thirds of the tapes it had gathered in the months leading up to the tragedy and in the several years that followed. It says it was done inadvertently, that there were no regulations in place to maintain that evidence, that there was nothing on those tapes to assist in the criminal investigation. A transcript was never taken of those tapes.

• (1810)

If one is dealing with the worst mass murder in Canadian history, why would one not preserve every last piece of evidence the authorities were able to uncover or to gather in the investigation?

There is no doubt in my mind there was a cover-up. The Mulroney administration refused to initiate an inquiry because it was trying to cover up the actions of agencies of the Government of Canada for which it was responsible. The Prime Minister, the Minister of Foreign Affairs, the Minister of Transport and the solicitor general of the day were all ultimately responsible for the gross negligence on the part of individuals within that administration.

The erasing of the tapes is further evidence they were trying to destroy evidence that could prove the security intelligence service and the RCMP were grossly negligent. Not only did they erase tapes, but false affidavits were sworn. Members of CSIS broke the law by swearing false affidavits in order to convince a judge to issue warrants to wire tap the telephone conversations

of numerous individuals subsequent to the disaster. The security intelligence service started to panic. The RCMP started to panic realizing what it had done or what it had failed to do. Then it deliberately misled the court into issuing warrants.

Those people have not been held accountable. There has never been an inquiry to look into the actions of the agencies of the Government of Canada.

Throughout the last 10 years the government and the previous administration have continually maintained criminal investigation is ongoing. That is the excuse the RCMP has put forward over the years. It is a lame excuse. According to press reports today the criminal investigation is virtually non–existent.

There are two people working part time on the worst mass murder in Canadian history. If the Royal Canadian Mounted Police does not have the evidence in order to secure a conviction after 10 years, surely at some point it has to say the investigation is concluded and it cannot move any further.

As I indicated, I believe there are reasons. The RCMP or certain individuals within the RCMP and the security intelligence service do not want a royal commission of inquiry.

There is also an international element to this tragedy, not only because it was an Air–India plane blown up, not only because of the involvement of Sikh extremists, but also because there is evidence suspects involved in the bombing of Air–India were trained in the United States in Alabama. The operator of the soldier of fortune training school in Alabama, Frank Camper, has indicated Sikh extremists were trained at his mercenary training school.

One would think that if the RCMP was doing its work it would personally interview Mr. Camper and others who might have evidence in the United States. The FBI refused to allow the RCMP to investigate or question Mr. Camper or others in the United States. Why would the Government of the United States and the FBI refuse to co–operate with Canadian authorities with respect to this matter?

• (1815)

The theory put forward, with evidence, by a number of people in Canada and abroad is that the American government, the Pakistani government and the Indian government knew that Sikh extremists were being trained; that the Pakistani government facilitates the training of Sikh extremists abroad; that the American government needed the co–operation of President Zia of the Pakistani government at the time to ensure that Pakistan could continue to be used as a conduit, as a route, for arms for the Afghan rebels fighting the Soviets in Afghanistan.

There is evidence to suggest that there was pressure by foreign governments, in particular the American government, the Indian government and the Pakistani government, on the Canadian government not to hold a royal commission of inquiry because of the international implications of what happened.

Notwithstanding the alleged involvement of other governments or the connection with other governments and other foreign nationals, this government has an obligation to the families of the victims to ensure that those responsible are brought to justice. If there is insufficient evidence to bring those people to justice then the answers to all the disturbing questions must be answered. The only way to do that is through a royal commission of inquiry.

I believe that the government has a strong suspicion and in fact knows who was responsible for the Air–India disaster that killed 329 people. It lacks the evidence to secure a conviction. There is not the will to initiate a royal commission of inquiry. The reason I say the government is aware of who is responsible is because there has been a conviction in the case of the Narita bombing.

If you recall, Mr. Speaker, 52 minutes before the Air–India flight was blown out of the skies over Ireland, a bomb went off at the Narita airport in Tokyo. The CP flight originated in Canada. It landed in Tokyo. The baggage handlers were removing the luggage from the CP flight to an Air–India flight that was about to leave for Bombay when a bomb exploded and two baggage handlers were killed.

As a result of the meticulous investigation on the part of Japanese authorities, an individual by the name of Inderjit Singh Reyat was convicted and is now incarcerated in Canada for that crime. Mr. Reyat and Talwinder Singh Parmar were arrested in the Air–India disaster but were released after a preliminary inquiry in British Columbia.

There was a connection. There is no doubt that those responsible for the Narita bombing were also responsible for the Air–India act of terrorism, the Air–India mass murder. Yet we are unable to secure a conviction.

I have asked previous solicitors general about this. The Government of Canada has never offered a reward for information leading to the arrest and conviction of those responsible for the Air–India disaster. That act of terrorism was not the act of a single person. It was a conspiracy and several people were involved.

Why has the government refused over the years to offer a reward, whether it is $1 million or $2 million or $5 million? If the Government of Canada is able to pay the family of Clifford Olson $100,000 to locate the bodies of his victims, surely it can offer a substantial reward to close the final chapter on this ugly episode in Canadian history. However, for some reason a reward has not been offered.

• (1820)

In conclusion, there is no doubt in my mind that the Mulroney administration was party to a cover–up. As well, there is no doubt in my mind that the present administration will do the right thing and call a royal commission of inquiry before the 10th anniversary on June 23. The reason I say that is because the Prime Minister, two years ago, while leader of the opposition, wrote in a letter:

> We will continue to press the government to create a royal commission to look into the Air–India disaster.

I have every reason to believe that the Prime Minister will honour his word and a royal commission of inquiry will be appointed. However, I would still like to see the House take a stand on the issue.

The Deputy Speaker: Before I recognize the hon. member for Bellechasse, I would like to indicate that this is a very important issue to a number of members here tonight. I wonder whether members would agree to share their time.

Would that be agreeable?

Some hon. members: Agreed.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, like my colleague from Bonaventure—Îles–de–la–Madeleine, I listened to the hon. member for York South—Weston present his motion M–293 regarding the Air India tragedy of June 23, 1985, with great interest.

To demonstrate just how lightly the government of the time took this tragedy, in which 329 travellers, 280 of which were Canadians, most of them of Indian origin, I would mention that the Mulroney government's first gesture was to send its condolences to the Republic of India. That is indicative of how the case was handled. It also helps to understand how the Canadian Security Intelligence Service carried out its investigation or, more exactly, did not carry out the investigation.

It is clear, and the hon. member for York South—Weston mentioned this during his representation, that the Canadian Security Intelligence Service's approach to the investigation is questionable. The attitude of the RCMP, which apparently put a lid on its own investigation and only assigned staff to the effort part–time, is as questionable as that of CSIS.

Given the scope of this tragedy, 329 deaths as was mentioned earlier—the biggest mass slaughter in the air ever to have been executed at that time—it is obvious that we should go back and take a better look at this case.

Is the royal commission of inquiry requested by the hon. member for York South—Weston the ideal solution? Maybe not. Obviously, ten years after the fact, we will not be able to interview the victims of the tragedy. Obviously, parallel investigations were carried out by organizations in other countries. It may be wise to pool all of the knowledge collected. Nevertheless, the very serious allegations made about CSIS, while not meriting a royal commission of inquiry, certainly should be looked into by the sub–committee on national security.

It would appear that this sub–committee, which is comprised of parliamentarians and would cost taxpayers nothing, contrary to a royal commission of inquiry, is the appropriate body to study the way the Canadian Security Intelligence Service handled this and other cases, where its work has left to be desired. I think it is high time we cleaned up the Canadian Security Intelligence Service.

• (1825)

That is why, given all of the investigations that have already been done, since it is highly improbable that the exact causes of the tragedy will ever be found and since almost all avenues of inquiry have already been exhausted, I am of the opinion that creating a royal commission of inquiry would be a waste of money. However, I am in favour of a parliamentary review of the way in which the Canadian Security Intelligence Service carried out its investigation into the matter.

[*English*]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I would like to commend the member for York South—Weston for bringing this motion to the floor of the House.

The timing is most appropriate. In just over one month's time it will be the 10th anniversary of the bombing of Air–India flight 182. It is with full confidence that I use the word bombing and not accident or incident or any other marginal term. What happened to Air–India flight 182 was an act of terrorism, an act of cold blooded murder and an act of cowardice.

Unfortunately no one has been brought to trial in this case yet. If my hon. colleague is accurate and others are involved, it is only a matter of proof that they have not been brought to court, I would like to stress, yet.

The member for York South—Weston seems to be of the opinion that charges will never be laid in this case so let us move on to a royal commission. If this was the case, I would have no problem in providing my unconditional support to the call for a royal commission.

However, I believe that the member for York South—Weston may be a little premature in his assumption that charges will never be laid. On April 4, when Commissioner Murray of the RCMP appeared before the Standing Committee on Justice and Legal Affairs, I asked him if he was opposed to a judicial inquiry into the Air–India bombing. His response was:

> We are not at all opposed to having a judicial inquiry. Our only concern was to undertake the judicial inquiry while the investigation was still active—The

investigation is still active—I have made a commitment to the Solicitor General that when we reach a point where we feel that we are at an impasse, I will at that time come forward and indicate so. But we have not reached that point. The investigation is still optimistically being pursued.

I accept the word of the commissioner. I hope that this commissioner will make an intense effort in the near future to advance the investigation or to accept that the investigation is over and the time has come to move on. But until that time the question is, will a royal commission affect any subsequent criminal proceedings?

Again the member for York South—Weston is impeccable in his timing. Less than two weeks ago the Supreme Court of Canada handed down its decision on the holding of a public inquiry into the Westray coal mine disaster at the same time that criminal proceedings are under way.

The decision in that case was that the court should be most hesitant to interfere with interests of holding a public inquiry. However, the court limited its decision specifically to the Westray case and would not speculate on other cases.

For example, the supreme court pointed out that the Westray criminal case was being tried in front of a judge alone. As well, the court believed that the commissioner of any public inquiry would not compel the accused to testify at the inquiry until the criminal case was concluded. Thus some significant considerations have to be resolved before a royal commission into the Air–India bombing is conducted.

Do we want to sacrifice any subsequent criminal charges for the sake of holding a royal commission today? I think not. This is where a royal commission would create a great many problems.

In the Westray decision the supreme court recognized the protection of the charter to any potentially accused. They could be compelled to testify in front of the royal commission but their testimony could not be used at the trial. That is a given.

What would cause even greater problems in pursuing criminal charges against those responsible for bombing Air–India is the difficulty created by the derivative evidence.

• (1830)

This means that if any new information comes out at the royal commission, at a subsequent criminal proceeding the defence could claim that the crown was only able to proceed with charges with the evidence that was a result of compulsory incriminating testimony and therefore the evidence would not be admissible.

In addition, in the Westray case the court ruled that the testimony of the accused must not be published and the report of the inquiry must remain confidential to ensure that any accused received a fair opportunity at trial.

The whole point of a royal commission should be to bring the truth about Air-India to light, and this could not be done if the evidence could not be published. Our first priority must be to bring those responsible for the Air-India bombing to trial.

I know that my colleague for York South—Weston is concerned about the way both the RCMP and CSIS have handled the investigation of this terrorist act. And there should be a cause for concern. I have no doubt that when the evidence of how these two agencies handled their investigation comes to light, it will be apparent that mistakes were made.

Who will ultimately be held accountable for these mistakes? Most of the senior management who were in place at CSIS and the RCMP have retired. There is concern that the whole truth may never come out. But when it comes to choosing between pointing fingers at those responsible for some of the mistakes at CSIS and the RCMP or bringing the individuals who are responsible for the worst mass murder in Canadian history to justice, I am afraid there is no comparison. Bringing to trial those responsible for the bombing has to take priority.

To get back to the motion before us today, if there is any way a royal commission could be held without jeopardizing the crown's ability to bring those murderers to trial, I would fully support such a call. Let us put the speculation to rest and give everyone involved in the case the opportunity to give their testimony. I am sure that many investigators at both CSIS and the RCMP would love to have the opportunity to provide their versions of the event.

Let us give the families of the victims an opportunity to finally hear what happened to their loved ones. Let us give the Canadian public the truth about what happened with the bombing of Air India. We should be told what the Canadian government was doing in regard to this issue prior to the bombing. Could it have been prevented? We should be told about the subsequent investigation. Did a turf war between the RCMP and CSIS impede a proper investigation?

The member for York South—Weston is absolutely correct: all this information must be made public and a royal commission or a judicial inquiry should occur. The only question is the timing.

The first and foremost concern on this issue must be that those individuals involved in the cowardly bombing of Air–India must be brought to justice. If a royal commission will not interfere or jeopardize a criminal trial, then we should proceed immediately. However, if it is likely that this royal commission would provide these mass murderers with a technicality to escape conviction, I am afraid the commission should wait.

While it is important that we ensure that the bombing of Air–India flight 182 is never forgotten, we owe it to the victims and their families that those responsible are brought to justice.

The Deputy Speaker: The hon. member for Sarnia—Lambton is going to share his 10–minute slot with one of his colleagues.

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, the agreement was that I would share remainder time.

I am pleased to rise today to discuss private member's Motion No. 293. Ten years after, we cannot adequately acknowledge the suffering of those left behind, but we can look to the changes in our air travel safety that have occurred as a result of this very tragic event.

Immediately following the disaster, the interdepartmental committee on security and intelligence was instructed to study and report on airport and airline security in Canada. The recommendations stemming from this report have been implemented, resulting in significant improvements to aviation security in Canada.

New air carrier and airport security regulations have been introduced, which establish high minimum standards. These regulations are under constant review and adjustment to respond to the changing situation.

Monitoring and inspection of airport and air carrier security measures have been greatly increased. Also, more stringent security controls on passengers, carry–on baggage, checked baggage, cargo and mail have been introduced on international flights. Air carriers are prohibited from carrying the baggage of persons not on board the aircraft.

• (1835)

The range of enforcement mechanisms has also been strengthened with the introduction in 1989 of the designated provisions regulations, which is an administrative monetary penalty scheme. These regulations were amended in 1993, increasing the number of punishable aviation security regulatory offences and the size of maximum penalties that can be levied.

Additional X–ray detection equipment and explosive vapour detectors have been put into service. A training program for security screening personnel and their trainers has been developed and implemented by Transport Canada. Courses are regularly scheduled. Internal security training programs for Transport Canada security inspectors and other aviation security specialists are also in place.

In addition, new measures have been implemented that require air carriers operating in Canada to carry out a program of initial and annual recurrent crew member aviation security training. All persons employed at major airports who have access to restricted areas must undergo a security assessment to ensure they do not pose a threat to the security of civil aviation.

In 1994 new security standards were legislated for airport restricted area pass systems, which improved the ability of the government and airport operators to ensure that people in restricted areas of Canada's airports have a need and a right to be there.

Transport Canada has been actively pursuing stronger security provisions and bilateral air transport agreements with other countries to ensure that implementation of Canada's high aviation security standards is a mandatory condition for foreign air carrier operations in our country.

I would like to point out that in addition to these enhancements Canada has in place a three–level alert and response system to ensure appropriate security measures are taken in response to specific threats. I understand this system was fully updated in 1992 and is under constant review and fine tuning to ensure it responds effectively to changing circumstances.

In conclusion, the Air–India disaster has been the subject of exhaustive examination by the Canadian Security Intelligence Service, the Security Intelligence Review Committee, Transport Canada, the Solicitor General of Canada, and the police investigation is ongoing.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I am pleased to rise today in support of the motion by the hon. member for York South—Weston.

The hon. member is correct: it is high time for a royal commission of inquiry into the Air–India disaster. For too long the Sikh community has lived under a great shadow of suspicion created by the media reports that someone from the Canadian Sikh community may have been responsible for the deaths of 329 people.

Responsibility for the crash has been attributed to a number of groups. Accusations have been made that U.S. intelligence agencies withheld vital information from RCMP investigators. There are real questions about how much the RCMP and the Canadian Security Intelligence Service knew.

The only clear fact is that on June 23, 1985, Air India flight 182 exploded over the Atlantic Ocean near Cork, Ireland. All 329 people aboard the plane lost their lives, including 280 Canadians. Most were of East Indian origin; some were Sikh families.

This was the worst mass murder in Canadian history. Yet 10 years later no one has been prosecuted in Canada for bombing the plane. Ten years later, the families are still waiting for answers. Ten years later, the Canadian Sikh community is still waiting to find out who was really responsible. We still have far too many questions and not enough answers.

Regardless of who placed the bomb, regardless of their motives, it is imperative they be brought to justice. I ask the Canadian government to initiate a royal commission of inquiry into the disaster as soon as possible.

The Deputy Speaker: The hon. member for North Vancouver has very kindly offered to give up his normal rotation in the party line. Therefore the hon. member for Brampton has the floor.

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, for most Canadians Friday, June 23, 1995 will be a day like any other. Parents will get up, have breakfast with their children, take them off to school and go off to work just as they would any other day.

• (1840)

However, for the families and friends of those Canadians who lost their lives aboard Air–India flight 182 exactly 10 years ago to the day, June 23 will be a day filled with remembrance and sorrow. It will be a day to reflect on the memories of loved ones lost in the blink of an eye, of entire families and children who never had a chance to grow up, children who never had the chance to experience the many joys and expressions of life.

There is nothing we can do to bring them back, but we must honour their memory and we must do all we can to ease the suffering of their families and friends. That is why we must properly investigate this terrible tragedy. That is why it is imperative that we conduct a royal commission into the most horrific mass murder in this nation's history. This is a commitment members of the Liberal caucus made while in opposition, and it is a commitment we must honour now that we are in power.

While in opposition, members of the Liberal caucus watched in horror as the then Prime Minister of Canada, upon learning of the tragedy, contacted the Prime Minister of India to offer his condolences on the issue. In doing so, the Prime Minister sent the message that this terrible tragedy was being mourned primarily by the citizens of India. This was the wrong message to send. These were Canadians.

That inquiries have been undertaken by foreign governments on this matter in the absence of an inquiry by the Government of Canada is cause for embarrassment to all members of this House.

Previous governments repeatedly turned down requests for a royal commission on the grounds that the matter was still under investigation and that it might prejudice the ongoing RCMP investigation. I believe that this rationale can no longer be invoked in good conscience.

A story in this morning's *Globe and Mail* states that the 10–year old RCMP investigation is winding down and that only two or three officers are working on this case on a part time basis. The cost of this investigation to date is in the order of $20 million. Ten years and $20 million later, we have still not solved this horrible crime.

There is another reason that came to mind as I was listening to my hon. colleague speak. We have heard about extremists from different groups of people being blamed, suspicions passed on to these groups. I have heard from many sources that this group of people did it. When I hear today the Sikh population being mentioned, it brings a great deal of pain to me. This only increases the misunderstanding of a community. To cast aspersions upon this group of people is an absolute sin. We must have a royal commission to remove this scar that has formed on this nation's history by failing to respond to the cries for answers from the families and friends of those who perished aboard Air–India flight 182.

We can begin by voting in favour of this motion today. Given the importance of this issue for all Canadians, I move that this motion be declared votable.

The Deputy Speaker: Is there unanimous consent that this matter be declared a votable one?

An hon. member: Nay.

The Deputy Speaker: The nay having been given, the member still has the floor. She might wish to continue. If not, we will now go to the hon. member for North Vancouver and then we will close with the honourable parliamentary secretary.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I will just take a few minutes as well.

In looking at this whole situation of the Air–India crash, I know that it has been dragging on now for 10 years, as other members have said. It is really getting to the point where we have to start asking questions about whether it has gone on long enough and how long do we allow the police investigation to keep going and winding down.

My colleague from Reform has pointed out some of the technical difficulties that are involved in starting a royal commission when there is still an RCMP investigation under way. That is an important consideration. However, we are 10 years downstream and many of the people who were involved in the RCMP are already retired. We have a situation where one of the major suspects is already dead, killed in a gun battle with Indian police in India.

• (1845)

According to a newspaper article in the Ottawa *Citizen* on April 14, 1994 another suspect, Mr. Manjit Singh, also known as Lal Singh, is in prison in India. We have two there. A third person who may have been a suspect was arrested the same day for the bombing which killed baggage handlers at Narita airport.

The evidence is fast disappearing. In the meantime we have spent about $20 million, yet we still have all the families of the

victims who lost their loved ones in this crash wondering what really happened and whether there was a cover–up.

My colleague who proposed the motion asked what happened. Was there a cover–up? What is the truth behind the crash of the Air–India flight? On balance, weighing the questions, weighing the technicalities, weighing the length of time it has taken and weighing the amount of money spent so far, I would have to support the member in his motion:

> That, in the opinion of this House, the government should take immediate steps to initiate a royal commission of inquiry into the Air–India disaster of June 23, 1985 which claimed the lives of 329 people.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, first let me congratulate the hon. member for bringing forward this long delayed motion. June 23 will mark the 10th yearly observance of the largest mass murder in Canadian history and the most tragic incident in the history of aviation, the bombing of Air–India flight 182.

On June 23, 1985, without warning, 329 innocent passengers were blown out of the sky. They were all killed instantly. There were no survivors. On flight 182, 295 passengers were Canadian and 82 of the passengers were children.

For the past 10 years the victims' families have suffered tremendous grief and endured great pain in virtual silence. They have waited patiently for the killers of their loved ones to be brought to justice and they have looked for answers. To date they have had none.

Air–India's explosion was not an accident; it was a planned and deliberate cold blooded act of violence that took the lives of 329 innocent passengers. It was an act of terrorism.

One decade is an eternity. For the surviving family members the past 10 years have been filled with hollow birthdays, empty anniversaries and missed graduations.

As a compassionate and caring society, as a country that has been built on the tenets of justice, fairness and equality, and as a country that believes in the due process of law, we cannot continue to ask these families to wait any longer. As Canadian citizens they deserve justice. For the sake of the victims and their families justice must be served.

There are two tragedies for these families. First, there is the horrific loss of innocent life. In some cases whole families were lost. In some cases one family member remains while the rest of the family was on the plane. I remember watching a vivid scene where a father wept out loud when he had lost his wife and his two children. As someone who has three children, I can imagine the nightmare that he will have to go through for the rest of his life. We need to give that person and all the other people some answers. It was a horrific loss of life. Second, 10 years after the bombing and $20 million later the murderers are still at large.

While in opposition we called for a royal commission. We promised the families of Air–India victims that justice would be served. We committed ourselves to finding the perpetrators of this brutal crime.

• (1850)

Today, nearly 10 years since the bombing, no charges have been laid. During the first two years there were up to 75 officers on the investigation. Today only one officer is dedicated to investigating this savage crime on a part time basis.

I want to re–emphasize that we do not know. People have not been brought to justice. I know some members have said perhaps it was one group or person. In Canada we are innocent until proven guilty. We need to bring the guilty to justice because we do not know. There are books written on the subject because there are so many questions and people do not know. That is one of the reasons we need a royal commission.

After reading the Security Intelligence Review Committee's report I have many concerns about the existing investigation into the Air–India disaster. CSIS has admitted that prior to the bombing of Air–India it did not regard the threat of violence stemming from extremist groups to be very serious. Few resources were allotted to the investigation.

Translators were not found. There is lots of evidence that CSIS simply bungled up and we need to know why. We need to know what the reasons were. At the time of the bombing CSIS was in its infancy. Its role and areas of jurisdiction were still being defined.

While there was a healthy spirit of co–operation between the two investigating parties differences emerged between the RCMP and CSIS after the bombing of flight 182 in terms of their responsibilities, jurisdiction and methods of evidence collection and retention.

I quote from the SIRC report:

> One former senior officer told us that while the role was well understood by senior personnel, he was concerned that some CSIS investigators would conduct their inquiries as though they were criminal investigators and would compete with the RCMP to solve this case—

Once again I quote from the report:

> We saw no early instructions from CSIS headquarters that attempted to clarify the CSIS mandate vis–à–vis the RCMP criminal investigation or which set out CSIS policy regarding the sharing of information and intelligence with the RCMP. We consider this to be an unfortunate oversight on the part of senior management.

We need to know what took place between CSIS and the RCMP. We need to have better information, and the royal inquiry will give us that information. We need to know why 159 of the 210 audio tapes with recordings of wiretapped conversa-

tions were erased. Many of these tapes were never heard. Translations were delayed or were not completed and significant backlogs of unprocessed tapes were commonplace. These issues were raised by SIRC in its report.

In accordance with established policies CSIS had already erased three–quarters of the 200 or so audio tapes of the principal targets, conversations before the disaster, so these were not available to the RCMP for its requested examination.

Given the number of inaccuracies, errors and oversights, given the absence of clear direction and a clear delineation of roles and the chain of command, it is difficult to see how CSIS could have done justice to the investigation.

The government has stated that the results of the investigation into the bombing of flight 182 are inconclusive. If they are inconclusive we need to know why. This is a Canadian tragedy. I do not think in any other situation government would not react. Any other government would have reacted. We have seen that in other governments. Why have we not reacted? We need to respond and have a royal commission to look into the matter.

Given this conclusion I believe it is in the best interest of justice to launch a royal commission of inquiry. There is precedence for such an inquiry. I refer my colleagues to past catastrophes, namely the *Ocean Ranger* tragedy and the Hinton rail disaster.

The issue is justice, justice for the 329 innocent victims of this aviation disaster, justice that has not yet been served. On April 13, 1994 former RCMP Commissioner Norm Inkster stated to the Standing Committee on Justice and Legal Affairs: "It was my hope that before I retired from the RCMP I could appear before this committee and say the Air–India case was solved. Tragically, this is not yet the case".

• (1855)

We cannot bring back the innocent Canadians who lost their lives. We cannot make their families whole again. We cannot bring back their smiles or laughter but we can bring those left behind some peace of mind. We can bring the criminals who have inflicted this ceaseless pain to justice.

I believe we are on the right track. It is clear from the level of active co–operation between the RCMP and CSIS that a real desire to solve this crime does exist. It is also evident from the continuing investigation that this tragedy has not been forgotten and that the Liberal government intends to keep its word. Our new solicitor general has stated the appointment of a royal commission is under active consideration.

In light of the SIRC report, the continued anguish of the victims' families and the ever growing price tag on this inconclusive investigation, I strongly recommend we launch a royal commission of inquiry.

Once again, given the importance of this issue for all Canadians, I move the motion be declared votable.

The Deputy Speaker: The hon. parliamentary secretary would be aware that he needs unanimous consent to make the matter votable.

Is there unanimous consent?

Some hon. members: Agreed.

An hon. member: No.

Mr. Nunziata: Mr. Speaker, it was the parliamentary secretary to the solicitor general who denied that the matter be allowed to proceed. I wish he would have the courage to stand up and defend his position.

Notwithstanding, I ask the Chair to seek unanimous consent that the subject matter of this motion be referred to a parliamentary committee. I ask the parliamentary secretary to consider that.

The Deputy Speaker: The House has heard the terms of the mover of the motion. Is there unanimous consent that the subject matter of the motion be referred to the Standing Committee on Justice and Legal Affairs?

An hon. member: No.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I rise to support the motion before the House presented by my hon. colleague. It is on behalf of the 329 people who were killed, on behalf of the 280 Canadians, and on behalf of their families tragically and instantaneously hit that I would like to see justice done.

We need a royal commission because if a train full of Canadians on Canadian territory were blown up we would find immediate justice. These Canadians cannot be brought back. We must find justice for them because they are silent.

The Liberal Party is known for being a compassionate party. Its members believe in justice and feel they have to ask for justice on behalf of the many communities of Canada, especially for the Sikh communities.

Vancouver East has a lot of immigrants; 45 per cent is made up of new immigrants. Some belong to the Sikh community. When I was elected I made a promise to fight on their behalf. Some of these communities do not have much of a voice and it is entirely up to us, to the government, to the members of the House to speak on their behalf. We were put here to do that.

In this tragic instance when no justice seems to have been served, when we value ourselves as those who speak about justice and human rights, we have to intercede on behalf of those who cannot speak.

• (1900)

I would like to see a royal commission struck to look into this accident. It took too long. We cannot let this go again. I would also like to move that this motion be votable.

The Deputy Speaker: Once again a motion has been made that the matter be a votable one. Is there unanimous consent?

Some hon. members: Agreed.

An hon. member: No.

The Deputy Speaker: I will give the hon. member for York South—Weston one minute if he wants to close the debate.

Mr. Nunziata: Mr. Speaker, in the closing of the debate, I want to remind the House that several members have stood up, all of them Liberal members of Parliament, asking that this motion be votable.

I would like you, Mr. Speaker, to consider a point of privilege. This is private members' business. On several occasions there was one member, the parliamentary secretary to the solicitor general, who withheld his consent to having this matter voted upon. He has not spoken today and I do not know why he has not. Perhaps he does not have any worthwhile submissions to make today.

However, I would suggest that as the parliamentary secretary to the solicitor general, he does not have the right to interfere in private members' business. If his withholding of unanimous consent is as an individual member, then that is one thing, but if he is interfering on the part of the Government of Canada, I would submit that is improper. The Prime Minister and the government has committed itself to the integrity of the private members' business. If private members' business is in fact to remain private, allowing free votes on behalf of private members, then the parliamentary secretary to the solicitor general should keep his nose out of private members' business.

The Deputy Speaker: The time has expired. Is there unanimous consent to let the parliamentary secretary reply as a point of order?

Some hon. members: No.

An hon. member: It was a point of privilege.

The Deputy Speaker: It does not matter whether it is privilege or a point of order, the time has expired and there is not unanimous consent to go over the time. Therefore, the time provided for the consideration of Private Members' Business has now expired. Pursuant Standing Order 96, the order is dropped from the Order Paper.

Adjournment Debate

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

INFRASTRUCTURE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I welcome the opportunity to pursue a question I asked the Minister of Transport in this House last week about the port of Belledune in New Brunswick.

I asked the minister to explain to this House how he justified giving a $5.8 million grant to the port of Belledune after saying that he was "not prepared to put a cent into Belledune as far as a grant or anything like that is concerned, any more than I would put into the port of Saint John or anywhere else".

The minister gave an answer but it was not to my question. I was pleased to hear him say that he would consider forgiving the loan to the port of Saint John, but not surprisingly he flip–flopped on that promise once the cameras were off.

It is not just troubling that the minister continually goes back on his word but that he gave the port of Belledune almost $6 million when we have yet to see a plan on how the port intends to pay back its $20 million loan it has received.

Furthermore, the minister has failed to explain why the government is spending over $25 million on new berthage and cargo sheds in a town bordering the minister's home riding when there is excess capacity at the port of Saint John and the port of Dalhousie which is only 32 kilometres away. As the minister has stated, once the port of Belledune and the expansion takes place, the port of Dalhousie is out of business.

The House will understand my questioning the minister's motivations for this grant to Belledune in light of some of the decisions made by this government.

Just recently there have been hearings on the privatization of the pilotage authority of our harbour pilots. I ask again, is this because the port of Belledune does not need the harbour pilots and the port of Saint John does?

For example, in February we learned of a decision by public works to borrow $12 million to build a new office complex in the riding of the Indian affairs minister, even though the office building vacancy rate is 18.2 per cent in Sault Ste. Marie and despite the fact that a less expensive option of buying and retrofitting existing office space could save $5 to $6.5 million for the taxpayers of Canada.

Now the minister of public works and the Nova Scotia transportation minister have inexplicably diverted $26 million of the federal strategic highway improvement program, known

as SHIP, funds designated for Nova Scotia highway 104, death valley, toward the fleur–de–lis tourist trail in their ridings.

The SHIP agreement states that projects undertaken are to be part of the national highway system. The fleur–de–lis does not meet this criterion and everyone knows it. Death valley is an example, just as Belledune is an example, of blatant, unapologetic, pork barrelling with no thought to fiscal responsibility.

The Saint John Port Corporation told the House of Commons Standing Committee on Transport on March 16, 1995 that "there is an overcapacity in Canadian ports with too much underutilization of infrastructure and the federal government as the shareholder of the port is competing against itself".

Once again I ask the Minister of Transport to explain why he is pouring millions of dollars into expanding the port of Belledune when existing ports in New Brunswick are underutilized.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, it is unfortunate but as usual this member has it all wrong and misrepresents the facts.

The proposed marine terminal at Belledune represents an unprecedented partnership between federal, provincial and various municipal governments. All three levels of government working in concert will be putting funds into this project.

If the member were concerned about the future of marine transportation in Atlantic Canada, she would be supporting this unique collaboration. It is interesting to note the following comments from Paul Doiron, general manager of Logistec Stevedoring that operates the Rodney terminal. He said he did not expect that development of the terminal of Belledune on the north shore would offer threatening competition to Logistec.

He then said that Forterm operates the largest forest products terminal on the eastern seaboard and is in the top eight or nine forest products terminals in the world. That will not change. "We will be able to compete just as we have for over 16 years," he said.

It is sad to note that the member wants to deny the people in this region the right to seek a loan from the federal government when she had no trouble supporting a request that the federal government write off a loan for the port of Saint John.

I would be interested to discover whether the hon. member opposite during her reign as mayor ever gave the port of Saint John money toward its operations. Perhaps if she had, the port would not be in this fix today.

It seems that I have to remind the former mayor that members should be reminded that Belledune and Saint John are in the same province and that the entire province will benefit from the increased economic activity.

The mayors and people of the municipalities surrounding Belledune are putting their money up front to support their region and the entire marine industry. They should be applauded, not hindered, and this member should be supporting New Brunswick, not voting against it.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed adopted.

Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.08 p.m.)

HOUSE OF COMMONS

Thursday, May 18, 1995

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

STANDING COMMITTEE ON HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I rise on a question of privilege today because I feel my privileges as a member of Parliament were severely breached during committee proceedings last night.

As the House knows, the Standing Committee on Human Rights and the Status of Disabled Persons was considering, clause by clause, Bill C–64, an act respecting employment equity. During debate on clause by clause my first amendment was ruled inadmissible by the chairman, the hon. member for Winnipeg North, on the grounds that it was only available in English.

As you know, Mr. Speaker, the rules of Parliament state that a member may move an amendment in the language of his or her choice. This happens all the time. No notice is required and the onus is on the chairman and the clerk of the committee to provide the translation to members of the committee if needed.

The chairman's ruling was immediately challenged by members of my party but overruled by the rest of the committee. In supporting a ruling on a matter over which the committee had no authority in the first place, the committee breached my right as a member of Parliament to move amendments to a very significant piece of legislation.

• (1015)

I approached the chairman and the clerk to try to obtain an explanation of this obvious breach of my privilege. In a questionable justification of his ruling, the chairman explained his actions in an inconsistent manner, ruling my amendments out of order because I was "not a member in good standing of the committee", which the clerk immediately refuted. I was a member in good standing.

The chairman's subsequent behaviour was reprehensible. Legitimate motions were tabled and immediately ruled out of order. Debate was cut off. The questioning of witnesses was curbed. The list goes on and on. On more than one occasion we were put in a position to challenge the ruling of the chairman. I believe the record, upon review, will speak for itself.

As an example, the committee had agreed to adjourn at midnight. I brought to the attention of the chair that midnight had come and gone and he continued with the next motion. At the end of that motion, which was voted and carried by the government side, I again brought it up that it was past midnight, according to our previous agreement, and they passed a motion without a vote.

I recognize that committees are masters of their own destiny, but democracy must prevail. I will quote from Speaker Fraser in his ruling of 1987, which states:

> It is essential to our democratic system that controversial issues should be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments pro and con and that reasonable delaying tactics should be permissible to enable opponents of a measure to enlist public support for their point of view.

Despite this, the members of the committee then proceeded to move time allocation, restricting the debate to five minutes per clause, and this after two hours of committee proceedings. Five total minutes was given for all parties on this clause by clause.

This is totally unacceptable. There were clauses last night on which not only was I not allowed to move an amendment, I was not allowed to utter one word of debate. I cannot do my job as a member of Parliament if I am not allowed to move amendments and debate amendments. It is just absolutely unacceptable. I do not know what I can do. I am a bit beside myself.

In his conduct last night, the chairman of the committee, the hon. member for Winnipeg North, overstepped his authority.

I ask, Mr. Speaker, that you rule on this very important matter and you suspend clause by clause consideration until such time as you do rule, because the committee sits as we speak. I am at your mercy. I know not what to do. I cannot speak and I cannot move amendments. I give up.

An hon. member: No, don't give up.

Mr. Strahl: No, I do not give up.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I know at least one other member wants to address this representation, there is a point of privilege.

The first thing I want to submit to the House is that the committee has not yet reported. As per the conventions of this House, if a committee has not yet reported the House is in no position to rule as to whether or not there has been a prima facie case of privilege.

Notwithstanding that, even if the committee had reported to the House, the committee itself would be the master of its own business pursuant to the rules this House has established for the committee.

Mr. Strahl: Do you call that democracy?

Mr. Boudria: Standing Order 108 and other standing orders of this House are clear in that regard. Therefore, it is my submission that the chair should not be ruling on this at this time. However, in the unlikely event that the chair does decide to rule on this issue at this time, I want to make representation to the Speaker in regard to the substance of the alleged point of privilege.

First, there has been an allegation made today that there was some sort of an attempt to prevent the member from speaking on and studying this bill thoroughly. This bill has been the subject of study for five months. Yesterday alone, the committee sat for over six hours and adjourned at 12.05 this morning. This hardly sounds like an attempt by anyone to stifle debate.

• (1020)

The next thing that is important to add at this point is that yes, it is true that an hon. member of the committee did propose to limit the time of debate per motion. That was not a government attempt. It was a member of the opposition. Therefore an accusation that the government is trying to stifle the opposition would not be totally accurate. In fact, the motion in question, which duly carried, was proposed by an opposition member and carried by the committee as a whole.

On the issue of the motions, it should be noted that there were a number of amendments proposed yesterday. As a matter of fact, I am told that some 40 amendments had been proposed prior to the committee sitting yesterday. And yesterday amendments in a stack several times thicker than the original bill were proposed by one member.

At the first occasion on which the amendments were proposed, the member in question was not a duly signed member of the committee. Therefore all the amendments he proposed were out of order because the member had no standing before the committee. Later on the member was afforded an opportunity to become a duly signed member of the committee as per our rules. In other words, his whip signed him in. I understand at that point he was able to move the amendments.

If I can speak to the issue of the amendments and the language for a moment, it is true of course that the House and its committees have permitted and will permit an amendment to be produced in only one of the two official languages. We have done that before. But it is equally true that a substantial document of the House must be, not only because of the Standing Orders but because of elementary courtesy, produced in both official languages, because our rules make it such and simply because of the volume, in order to enable all members to participate.

May I suggest that when someone moves a stack of amendments several times thicker than the bill itself, that rule then must apply as well. In other words, several hundreds or dozens of amendments should be translated, again in order to accommodate all members of the House to participate. It is not a matter of one or two amendments where one member can listen to the interpretation system and hear the three or four words proposed to be amended. We are talking here of hundreds and perhaps thousands of words being amended in a particular bill. That courtesy was judged by the chair of the committee to be essential to the good functioning of the committee and ultimately of the House.

I am told the chair did rule as well that some, if not a large number, of the amendments were not substantive but were dilatory in nature and nothing else. I am told, as an example, that someone wanted to exempt people working in restaurants from being obliged to hire people of different ethnicities and so on. Mr. Speaker, you have already recognized that is not even in the area of federal jurisdiction. An amendment such as that and several others, according to the committee, had little or no purpose other than to stall the process of the committee after five months of deliberations and six hours of sitting in one day. The purpose was not at all to amend the bill.

Finally, the committee did adjourn nominally at five minutes past midnight. That was invoked as part of the alleged point of privilege. The House will know that adjourning five minutes later than the usual time when there is general agreement on the committee is not exactly something unprecedented in order to complete the business before the committee.

• (1025)

After three hours of debate on one clause of the bill the committee judged it was for the betterment of the committee that a time limit of five minutes per clause was appropriate. The committee decided that by virtually unanimous consent, with the exception of one or two members. The committee did make that decision with full democratic principles in mind, as it had the wisdom and the right to do.

The committee has not yet reported to this House. When it does report to the House, any member who was not a member of the committee—as is the case of the hon. member who proposed the amendments initially—is perfectly in order to produce amendments again at report stage, if the Speaker and his very able staff determine the amendments are in order.

Therefore, in my view there is no point of privilege. Even if the points raised by the hon. member were valid—and I submit they are not—this would not constitute a point of privilege now but only at a later date.

I believe hon. members worked very hard on that committee. I know the hon. member for Hochelaga—Maisonneuve and several other members have worked very hard. They stayed up very late last night to continue the work after five months of deliberation.

Perhaps some people are not in agreement with the bill. That will not change by invoking points of privilege in this House, which are not really points of privilege at all, and even if they had been, they were not invoked at the appropriate time. I submit the chair of the committee ruled properly with the able advice of his clerk and staff, and did make the committee function to advance the legislation before the committee, as is the role of the chair. He did nothing different from the usual work of a committee chair. I am sure I speak on behalf of most members of this House when I say he is an outstanding committee chair.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, may I add two clarifications so that my colleague will not keep the chair in the dark about certain facts. In accordance with common practice, the hon. member for Fraser Valley East was allowed to introduce unilingual amendments during proceedings.

You should know that as soon as we started our proceedings, the committee clerk asked all participants several times to hand over their amendments, so that they could be translated and made available in both languages. What is at issue here is that, at the start of the proceedings, my colleague from Fraser Valley East was tempted to table some 30, if not more, amendments. Given this pile of amendments, we in the official opposition asked that they not be considered, since one basic element of the rules adopted by the Subcommittee on Agenda and Procedure is that all documents and amendments tabled during proceedings must be available in both languages.

I should point out to you that the Reform Party has representation on the Sub–committee on Agenda and Procedure. They supported these rules and I am concerned about the hon. member for Fraser Valley East's lack of courtesy and respect for francophones. I wish to draw your attention to the fact that I mentioned during proceedings that—again, in accordance with common practice—we agreed to let the hon. member for Fraser Valley East introduce handwritten unilingual amendments.

You should know that we have always tried to co–operate and that the hon. member is quite brazen, to say the least, in claiming that his remarks were cut off, as a look at the time allocated shows that the hon. member for Fraser Valley East took up between 80 and 90 per cent of the time available for debate. It is only after a two hour filibuster based not on content but on form that we felt the need for consent, as part of committee proceedings, to suggest to the chairman that we should be able to call for a vote after spending five minutes on each clause under consideration.

• (1030)

In a fit of generosity, the chairman proposed that 15 minutes be allocated, and you may be surprised to hear that my colleague from the Reform Party was opposed.

So I am counting on the Chair to hand down a ruling that will respect the rights of francophones in this country.

[*English*]

The Speaker: The hon. member for Fraser Valley East on the same point of privilege. I would ask the hon. member please to make his intervention at this point fairly brief.

Mr. Strahl: Mr. Speaker, it is important to clarify several facts, as the Speaker was not able to be at our committee last night.

One thing is that the member who made the intervention from the government side was not there either, but he may have been fed some wrong information.

Originally I sat at the committee table and proposed a motion about calling more witnesses. It had nothing to do with clause by clause. At that time it was pointed out to me that I had not submitted my form to the clerk about being a member of the committee. I immediately gave the sheet to the clerk of the committee and to the chair so that I could take part in the clause by clause voting.

After I had submitted my proper documentation to the clerk, and I am sure the Speaker will check with the clerk on this, then I moved my amendments. They were then ruled out of order and tossed away. I asked for them back and could not get them. I could not even get them. I had a stack of amendments. All of them were taken and they went into a black hole or wherever they go.

We were not restricted to five minutes per motion which would have been bad enough. It was five minutes per clause.

Even the government side had as many as three or four amendments per clause which were read out with an explanation and that was considered the total debate. It was not per motion, per amendment, or per subamendment. It was per clause. We passed entire sections, sometimes running an entire typewritten page in the bill, without a word of debate.

It cannot go on, Mr. Speaker. It is going on right now. Clauses are being passed without debate. You cannot allow that. I do not know what to do. I could go back there and stomp on the table, but they are just passing clause after clause without debate. It cannot continue.

My final point is it is interesting that the member mentioned that the committee did adjourn at 12.05 a.m. which is an admission that it did go past the hour of adjournment, not that it was not pointed out to the chairman. I brought attention to it in two different points of order that we had agreed to stop at midnight. The chair said we must continue with it. Another amendment was passed. I said that it was now really past midnight, it was five minutes after midnight. I said that I could not see that we could proceed. The chair hit the hammer and passed the amendment without even a vote. The amendment was passed without a vote.

How can you pass an amendment without a vote? You cannot do it. To say that this is somehow speeding up the procedure, I guess it is. Speeding up procedure does not involve trampling on the rights of members of Parliament who want to debate the clauses and have the right to bring amendments in both official languages. If members on the government side think they are appealing to some unknown masses out there by running roughshod over the rights of members of Parliament who have the privilege of bringing forward concerns from their constituents, it is hypocrisy, it is dictatorship, it is despotism and it is out of order.

The Speaker: Order. Colleagues, I have listened to this question of privilege. I think I have enough information. I am starting to get the complete drift of what went on.

Hon. members from time to time become frustrated in their work because things are not going one way or another. That is understandable. That is about par for being here in this place. Things do not always go the way we want them to go. I want to point out some of the similarities that hon. members have brought to the attention of the Chair.

• (1035)

The hon. member for Fraser Valley East said in his opening statements that indeed the committee is master of its own destiny. The reason for that is that with all of the standing committees that we have, if we had appeals from the committees to the House then the time of the House would be taken up with these appeals.

Speaker Fraser in an earlier ruling has indeed said that there are exceptions to everything. From what I have heard here today, it would seem to me that the committee which is master of its own destiny by a democratic way of coming about it has decided to proceed in a particular way. If one, two or five members disagree, again the disagreement is noted.

When a member asks the Chair to make a ruling, as an overwhelming rule the Chair has always waited for a report to come from the committee to the House. In this report the grievance that was brought up, if the committee decides to report it, would be brought to the House.

Here, all of us together would have a chance to look at it and make a decision as the House because we, the House, are masters of our destiny. Speakers in the past most of the time have given great latitude to committees because of the far reaching importance of the work they are doing and have waited for them to come to the House.

It is my decision at this point that I do not have a report from the committee in front of me. Therefore, I do not want to make a ruling until the committee as a body brings this report up. It could be that the hon. member will have a question of privilege to bring up at a future time. I do not discount that but it would seem to me that at this time I would rule that there is no question of privilege.

Mr. Hermanson: Mr. Speaker, on the same question of privilege but in a different vein—

The Speaker: Order. I have ruled on the question of privilege. That question of privilege is now put to one side. If the hon. member has another question of privilege that he wants to bring up I will listen to it, but if it is on the same question of privilege I beg the House to accept the ruling of its Speaker.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I guess I need some clarification from you on one instance.

I want to bring forward another very important issue. First of all my understanding of the standing orders is that a question of privilege must be brought forward at the first opportunity. How can we justify saying we have to wait until a report is given before a member can put forth a question of privilege when he at the same time must put forth a question of privilege at the first opportunity?

My hon. colleague has brought forward what is a very legitimate question of privilege at his very first opportunity. I appeal to you on that basis.

The other thing I would like to bring to your attention is that there are changes in the standing orders. This is the first Parliament in which these changes have been implemented. It may mean that a new precedent is being established and it may be very important for you to play a role in establishing a proper precedent.

When bills are submitted to committee prior to second reading, this House forgoes second reading debate. The House is sacrificing an opportunity to debate in the House so that would happen in committee. There are 180 minutes permitted of debate on a motion to submit the bill to committee prior to second reading. There really is no second reading debate. The vote on second reading is held without debate.

Therefore, it is very important that a precedent be established to allow proper debate at second reading. The spirit of the agreement to change the standing orders was so that amendments could be brought forward at committee and that proper time could be taken to deal with the clause by clause study.

• (1040)

Mr. Speaker, on that basis I ask you to consider very carefully what precedent is being established here, whether or not the rights of members are protected under the standing orders as they now stand in light of this new procedure. I think it is very critical and may be repeated many times in the future in the House and in committee. I just want to make it very clear that we are concerned.

The Speaker: I would accept the intervention as a point of clarification.

Your Speaker is guided at all times by the rules decided upon by this House. If a member has a grievance, the member could appeal to the Speaker for clarification, if you will, but there are other avenues that a member can take for doing the same thing. Perhaps the member would want to bring it forth with the committee on rules and procedures.

However, for your Speaker today, in this particular instance that was brought forward, I have listened to all interventions and in my view there is not a question of privilege. A point of privilege might be brought forward in the committee itself. Who am I to tell members how they should go about their business?

As I am thinking here, I do not know that this was brought forth as a point of privilege in committee. I do not know that. All I know is what the members here have brought in front of me. On the basis of what members have said here today in this House, then I would rule that there is no point of privilege.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, I have the honour to present the 10th report of the Standing Committee on Public Accounts. When the Auditor General of Canada tabled his report in February 1994, the issue of pension overpayments, which reached between $120 million and $200 million, in the auditor general's estimation, was raised repeatedly.

For the committee, behind the figures lay a more important issue: the department's ability to efficiently manage pension programs. This prompted the committee to meet twice with senior officials of Human Resources Development Canada and the Office of the Auditor General of Canada.

In this report, the Standing Committee on Public Accounts makes a number of recommendations, which, for the most part, have an implementation deadline. The dissenting opinion of the hon. members of Chicoutimi and Joliette is appended to the report.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

* * *

[*English*]

CANADIAN WHEAT BOARD ACT

Hon. Alfonso Gagliano (for Minister of Agriculture and Agri-Food, Lib.) moved for leave to introduce Bill C-92, an act to amend the Canadian Wheat Board Act.

(Motions deemed adopted, bill read the first time and printed.)

* * *

• (1045)

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ) moved for leave to introduce Bill C-328, an act to amend the Unemployment Insurance Act.

He said: Madam Speaker, the purpose of this bill is to transfer from the Department of National Revenue to the Department of Human Resources Development the responsibility for assessing job insurability under the Unemployment Insurance Program. There are several advantages to doing this. We believe that the larger number of points of service maintained by the Department of Human Resources Development could mean much shorter processing times.

Also, there will be a better understanding of the case at hand, since files will be processed locally by individuals who will then be in a better position to assess particular circumstances. I think this will help develop a fairer rule of construction. That is, at any rate, the spirit in which I table this bill.

(Motions deemed adopted, bill read the first time and printed.)

[*English*]

PETITIONS

SOCIAL PROGRAMS

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, it is a privilege to present a petition on behalf of a number of residents of the city of Kamloops who point out the social programs of Canada form the very fabric of our country and define us as a civilized and compassionate nation.

The petitioners point out the struggle to build universal health care, old age security and other valued institutions is a proud part of our heritage. Consequently they are petitioning the federal government to maintain and enhance these social programs, the right and heritage of Canadians.

MINING

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I have the honour to present a very extensive petition on another matter. The petitioners from Logan Lake, British Columbia, point out all the benefits mining provides to Canada, particularly in our trade balance. Therefore they call on Parliament to take action that will see employment in this sector increase, promote exploration and rebuild Canada's mineral reserves to sustain mining communities and keep mining in Canada.

JUSTICE

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I present a petition signed by a number of residents from throughout central British Columbia who point out that Canadians, particularly women and children, are becoming increasingly fearful of walking our streets in our neighbourhoods. They believe many violent offenders and sex offenders are being paroled prematurely or are being released without proper treatment or rehabilitation.

They point out a number of concerns and therefore call on the House of Commons and the Minister of Justice to take whatever steps deemed necessary to amend Canada's Criminal Code and parole system to ensure safety and peace in Canadian neighbourhoods.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suggest that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1050)

[*Translation*]

SUPPLY

ALLOTTED DAY—QUEBEC'S FINANCIAL DEMANDS

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ) moved:

That this House deplore the federal government's delay in responding to Quebec's demands with regard ato the education of young Aboriginals in the Quebec North amounting to $199 million, to the compensation of $135 million under the 1991–92 stabilization program and to the $79 million claim for expenses incurred during the events at Oka in the summer of 1990.

He said: Madam Speaker, I thank you for this opportunity to discuss the motion. Before getting into the thick of things, I also want to thank my leader, the Leader of the Opposition, for asking me to table this opposition day motion. It is a sign of trust to have been asked to be the first one to speak on this motion, which gives an eloquent example of the way the federal system works.

In the next 20 minutes or so, I want to explain why the official opposition tabled this motion today, and also what that motion means. Indeed, what are we talking about when we refer to the three issues mentioned in the motion, namely the claim for expenses incurred during the events at Oka, the refund of education costs for young aboriginals, particularly in the Cree territory located in Northern Quebec, as well as the payments under the stabilization program.

I will try to explain not only the costs related to these claims, which are estimated at over $330 million, but also the costs related to this whole operation. This is why I said at the outset that this motion—and this is why we are tabling it today—very clear shows the flaws of the Canadian federal system.

Sovereignists are often criticized on the grounds that they only rise in this House to claim more and more rights for Quebec. Indeed, we often hear the argument, from Liberal as well as Reform members, to the effect that Bloc members are always trying to get more for the Quebec government. The same comment is also made regarding the Parti Quebecois government by our federalist friends.

This motion shows to what extent—I am not sure if I should use the word "normal"—traditional federalism is flawed. I would even go so far as to say that, in this specific case, federalism works against Quebec's interests.

Mr. Milliken: Oh, oh.

Mr. Bernier (Mégantic—Compton—Stanstead): If the hon. member for Kingston and the Islands gives me a moment, I will try to convince him, assuming this is possible, of the appropriateness of my comments.

In fact, the $330 million claim of the Quebec government was presented and renewed by Quebec's intergovernmental affairs minister, Louise Beaudoin, this week, here in Ottawa, when she met with her federal counterpart to claim something that, in one particular case, has been owing for more than ten years.

The motion refers to three issues. The first one is the expenses incurred during the events at Oka, in the summer of 1990. Everyone remembers what happened then, particularly these days, when there is a risk that these events could be repeated, because of some aboriginal people in Oka.

• (1055)

We all remember that, in 1990, the Quebec government was faced with enormous costs for public safety, or for law enforcement, as a result of the crisis in Oka and Kanesatake that I mentioned a moment ago. Of course, given that public safety was at stake, and that the crisis related to the native issue, which is under federal jurisdiction, it was totally appropriate for Quebec to ask the Canadian government to pay the additional amounts associated with the need to call in the Quebec provincial police.

A request for payment of $84 million was submitted. An amount of $5.3 million has already been reimbursed by the federal government, which leaves approximately $79 million still to be paid. The crisis goes back to 1990, but the bill remains unsettled. How did our politicians react to the request for payment, when a federalist government was in power in Quebec, during Mr. Bourrassa's, and then Mr. Johnson's Liberal governments? What was the federal politicians' answer to the Quebec government? In September 1993, the Minister of National Defence in the former government refused to reimburse the total amount requested, following the Oka crisis, because these events, he claimed, resulted from a situation related to public order, not public good.

Such a position is totally ridiculous, and I submit that the present government, through its critics, is still making that claim. This is utterly ridiculous. I ask the Minister of Intergovernmental Affairs, the Minister of National Defence, the Minister of Justice and the whole government to talk to the people of Kanesatake and Oka, to check if their well–being was not affected during those events. The government should be ashamed of using such a ridiculous argument, and realize that this issue must be settled right away.

A second issue deals with the education of young aboriginals in northern Quebec. This is a claim made under a federal–provincial agreement signed under the James Bay Agreement, which provided that the Quebec government and the federal government would pay the costs relating to the education of young natives, especially the young Crees of northern Quebec.

There is an outstanding account in the order of $119 million, the payment of which has been demanded for nearly 10 years now by successive Quebec governments and, I repeat, governments of federalist allegiance.

• (1100)

I do not think any member opposite can deny that the Bourassa government wanted to get an agreement with the federal government at any cost.

If the Minister of Intergovernmental Affairs has any doubt about that, he should confer with his colleague from Outremont, who was a member of the Bourassa government and made the same demands when she was the Minister of Education.

I repeat that, under a federal–provincial agreement, both levels of government share the costs of education of young Crees. But the population has increased, more young Crees have registered for several courses or have decided to take more training, so that costs have been higher than forecasted. The federal government's position is that those claims are not justified, and that it has not been consulted. Therefore, it refuses to pay the claim for $119 million submitted by the Quebec government.

At a time when the federal government's intention to set national standards concerning shared costs program such as post–secondary education and health is being discussed in this House, we should take a hard look at these issues. When we realize that agreements signed by both levels of government are not being complied with in day to day operations, are we to understand that the federal government will set its so–called national standards each and every time the Quebec government asks the federal government to assume its financial responsibilities? Will Quebec get the same kind of response: that the federal government was not consulted on each and every one of those expenses, that all the invoices have not been provided, and that a thorough examination is in order before any amount is reimbursed to the Quebec government?

Let me remind the House that the Minister of Intergovernmental Affairs' answer was that he will ask his officials to meet with those of the Quebec government in order to study the whole issue more thoroughly. The issue has been dragging on for ten years already. They are saying, in fact, that they will take the time they need, that they are in no hurry. As the minister said again this week: "I do not want to raise the hopes of Quebec politicians by implying that this issue can be easily settled". No, no and no, these things must take time. We have to ask our officials to meet, to discuss, to chat, in order to try to come to an understanding over an agreement signed—this bears repeating—more than 15 years ago.

The last demand involves compensation of $137 million demanded not only by Quebec's current government but also by its previous governments. I repeat, these are not new demands brought forward by the current government of Quebec, Mr. Parizeau's government. These demands were first made 10, 5 and 3 years ago by the previous federalist Liberal government.

Stabilization payments are made under a very complex program that I will not even try to explain to you because I cannot make head or tail of it myself, but the program is designed to restore some kind of fairness in terms of the expenses the provinces must incur to fulfil their own responsibilities. The federal government has committed itself to review each province's tax revenues and to compensate provinces whose tax revenues are lower than expected for various economic reasons or because of the economic situation. The government seeks to stabilize provincial revenues through this program, which it set up on its own initiative.

• (1105)

Twice, the Quebec government asked for compensation and twice its demands were turned down by the federal government. The last time that demand was made by the current Minister of Finance in Quebec, the federal Minister of Finance replied: "If you want to get compensation to the tune of $137 million under the stabilization program, your only option is to take us to court".

After hearing all about progressive federalism, or progressive status quo as our colleagues opposite like to call it, now we have courtroom federalism. In other words, when we want the federal government to respect programs it has introduced, we have to go to court to obtain justice. It is the new way of doing things of the Minister of Intergovernmental Affairs and the Minister of Finance, who say: "Let us go to court".

With all due respect, this reminds me of what a Quebec humorist, père Gédéon, not to mention any names, used to say: "We will go to court even if we lose, and we will go all the way to the Supreme Court". The Liberal government's attitude is somewhat similar. It admits that it owes money to the Quebec government, but to drag things out, to make sure the matter takes years to settle, it says to the Government of Quebec: "Go to court".

In conclusion, I mentioned at the beginning of my speech that this was a good example of the way federalism operates. I also said that I wished to underline the costs that this entails. We are speaking, of course, about a justified and recognized claim. The government's officials acknowledged that the amounts mentioned are correct.

Can anyone imagine the human and financial costs generated by all these discussions on these three simple claims?

Mr. Cauchon: It is fear mongering.

Mr. Bernier (Mégantic—Compton—Stanstead): Do we know how many civil servants, and the member for Outremont could perhaps look into this, at the federal as well as the provincial level, met, talked on the phone, exchanged letters and piles of documents? All these costs for the taxpayer must be added to the claim of $333 million.

If we had this money, if Quebecers could realize the enormous costs of federalism, I am convinced that they would at once choose to become sovereign. They would do it because the day we are able to assume our own responsibilities, the day we are able to make our own decisions concerning our collective future, we will not have to listen to the Minister of Intergovernmental Affairs say to us: "Go to court; let us ask our civil servants to get together". We will be able to make our decisions, and this is what the motion tabled by the official opposition is all about.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, I listened very carefully to the last speaker. Unfortunately, I did not sense in his speech the real human dimension of the problem faced by natives in Quebec and, let us be frank, in all areas of Canada.

The debate revolves around a ten–year old dispute between Quebec and the federal government. And I would point out that the federal government has already paid out a considerable amount of money.

However, I will leave it to my colleagues on this side to make speeches that will undoubtedly be brilliant and informative for the opposition.

• (1110)

What I find unfortunate in the statements of the opposition is the fact that they did not speak about the social, human and economic situation in which Quebec's natives live. I think that it would have been more humble, more humane for the opposition to focus more on the means of helping these people to improve their lot. This has been a point of contention for several years now.

I remember that in 1981, under the PQ government, 1,000 police officers invaded—that is the word, invaded—the Restigouche reserve. That was unfortunate and I think that that is when the relations between natives and Quebecers began to deteriorate. I believe that we do not do enough for natives. I think that we should encourage dialogue instead of resorting to fear mongering, threats and statements like: "If it had been up to Quebec, we would have solved the problem long ago".

I ask the official opposition to make a proper evaluation of the situation and not to confuse the issue with sovereignty and with the upcoming referendum debate. I think that the first step should be to consider the economic and social situation of Quebec's natives as well as their problems. I think that that should be the real subject of the debate. It is not a money issue, but a human issue that we should address in a co–operative fashion.

Mr. Bernier (Mégantic—Compton—Stanstead): Madam Speaker, I thank my colleague for his remarks, but I feel compelled to remind him of certain facts. I do not want to give him a history lesson, but I think that there is no relationship whatsoever between the events in Restigouche and the matter we are discussing today. I am sure that, if my colleague takes the time to consult his history book, he will recognize that these two matters are not related.

However, I agree with him when he talks about the need to deal with the real problems facing native populations. I wish the member for Bonaventure—Îles–de–la–Madeleine would convince his colleagues to adopt a similar position because, in recent years, it is exactly what every Quebec government, whether federalist or sovereignist, has done in relation to the James Bay agreement, especially in relation to the matter we are debating, that is the $119 million claim for the education of young natives in northern Quebec.

The government of Quebec has striven to offer quality services to native people and to meet their needs, which means that when there is an increase in the clientele, there must be an increase in spending on health care or education, as is the case here. That is what the government of Quebec has done over the past ten years, and it is the federal government which has been tight fisted with its money. If the government of Quebec had waited for the federal government to honour its commitments, natives in the north would never have had the level of services they are getting today, thanks to the Quebec government.

So the point raised by my colleague for Bonaventure—Îles–de–la–Madeleine is most interesting. I ask him to convince the Minister of Intergovernmental Affairs and the Minister of Finance to contact the Quebec Minister of Intergovernmental Affairs immediately to settle the issue. We agree on this. Quality services have been delivered and now the time has come to pay the bill. Unfortunately, the Minister of Intergovernmental Affairs will do the same thing he did in the case of the Charlottetown referendum in 1992: he will first lose face, then he will change his mind and agree that he must reimburse the government of Quebec.

• (1115)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, if we are going to talk about amounts, it should not be forgotten that the federal government paid out close to $450 million for Northern Quebec natives.

However, I would have another question. The point has been raised of Quebec's historic dispute with the federal government over the last ten years. We were not in power during this period, but I know that a certain Leader of the Opposition, here today, was a member of that government.

Yesterday, in fact, we learned, because we asked the question, that he was never aware, at the time, of the claims that were made by the province of Quebec. It is regrettable that the least fortunate members of society are being used to generate propaganda, to engage in grandstanding, as well as to promote sovereignty and independence at whatever cost.

I would like to ask the Leader of the Opposition where he has been for the last ten years and why he did not, when he was a member of the government in power, do something about the Quebec government's claim?

Mr. Bernier (Mégantic—Compton—Stanstead): Madam Speaker, I hope that we are not going to spend the entire day listening to this sort of nonsense. It just shows how few arguments the government can find to reject the legitimate demands of the government of Quebec. Responding with references to the former government, and specifically to the Leader of the Official Opposition, who was a member of that government over six years ago—having left it before the Oka crisis—shows, in my opinion, just how few arguments they can muster.

I hope that the Minister of Intergovernmental Affairs will come up with something more serious. As someone familiar with the workings of federalism, surely he will be able to convince us, with copious arguments, that he is right, without spouting the sort of nonsense we have just heard.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Madam Speaker, I will vote against the motion presented by the hon. member for Mégantic—Compton—Stanstead, for a very simple reason.

The federal government is not late in making the payments referred to by the hon. member, and this includes Quebec's demands with regard to the education of young Aboriginals in the Quebec North, compensation under the 1991–92 Stabilization Program and the claim for expenses incurred during the events at Oka.

Perhaps the hon. member will withdraw his motion after hearing the government's point of view. In fact, if Quebec's demands were so legitimate, I think, with all due respect for the hon. member for Mégantic—Compton—Stanstead, that his leader, the hon. member for Lac–Saint–Jean, would have presented the motion himself.

Monday I had a chance to discuss the matter with Mrs. Louise Beaudoin. It was a cordial meeting during which we reviewed the cases mentioned in the opposition motion and discussed the mechanisms available to us to deal with these matters.

[*English*]

Madam Speaker, Mrs. Beaudoin and I met earlier this week to discuss these matters. Our meeting was productive and focused on the substance of the issues and on finding ways to solve these issues in the best interest of Canadian taxpayers.

[*Translation*]

We both agreed to continue discussions on these matters through existing mechanisms. We both agreed to make every effort to find the right solutions without wasting any time.

• (1120)

In the process, I want to ensure that the outcome is fair to both parties, including Canadian taxpayers.

I will be brief, but I will take the time to explain the government's position on each of the demands mentioned in the motion. First, the claim for expenses incurred during the events at Oka. Quebec submitted a bill for $130 million under the disaster financial assistance agreements and estimated the federal government's contribution at $84 million.

The federal government found that only $5.3 million seemed to meet the criteria for this program. The rest of Quebec's claim was not, in our view, covered by the program. We were not convinced it was up to the federal government to pay the cost of overtime—this is an understatement—accommodation and transportation for officers of the Quebec Police Force, for which the Quebec government was claiming $58 million.

I may recall that at the time the federal government had, at the specific request of the Quebec government, provided the services of the Canadian Armed Forces. In fact, federal expenses incurred by the use of the Canadian Forces at Oka totalled $122 million.

Expenses covered under another program are not eligible, which explains why the Auditor General has been asked to take a very close look at Quebec's expenses. In other words, there are regulations that determine which expenses are eligible and which are not. In this case, considering additional claims made by the Province of Quebec which, we feel, are unjustified, we asked the Auditor General, a third party who enjoys credibility among all Canadians, including Quebecers, to check Quebec's additional claims.

We are hesitant to pay the bills submitted by the Government of Quebec, not out of meanness, but because our goal is to be rigorous and fair in administering the public purse. Mrs. Beaudoin mentioned that the funds claimed are for Quebecers; however, our responsibility is to manage funds for all of Canada's taxpayers, including Quebecers, and that entails ensuring that the bills submitted to us are justified.

That is why we called on the auditor general, from whom we hope to obtain an impartial opinion. He has indicated that the results of his audit will most likely not be available until June or July 1995. In the meanwhile, he asked the federal government and the Government of Quebec to send him a detailed breakdown of all of the costs incurred and the related receipts, normal requirements for any in–depth audit. For our part, we have provided all of the information he requested.

The federal government, therefore, is waiting to see the conclusions of his audit. That is what I said to my counterpart in Quebec, Mrs. Beaudoin, and this is clearly the fairest process to use, and we must let it run its course. All taxpayers expect their governments to rigorously manage public funds, and that is what we are doing.

Now, what about the $135 million claimed under the fiscal stabilization program? Once again, the federal government's position is very clear. We will apply the program rules to all claims, be they from Quebec or from any other province. Nothing more, nothing less.

Regarding the case at hand, the fiscal stabilization program was implemented to assist provinces whose revenues drop radically because of an economic downturn.

• (1125)

The claim of $135 million for 1991–92 is not valid in our opinion, because the Government of Quebec's loss of revenue that year was not related to the economic situation. The Minister of Finance has therefore determined that the stabilization program does not apply.

However, the federal government has already paid an instalment of $125 million, that is, more than half the amount Quebec has claimed for 1992–93, because, in this case, we felt the legislation criteria were met.

As I indicated to Mrs. Beaudoin last week, the legislation does not provide for arbitration. The only alternative for the Government of Quebec, if it does not share our viewpoint on the application of the legislation, is, clearly, to appeal our decision under the procedure provided in section 19 of the Federal Court Act to resolve disputes between governments. Differences in interpretation of legislation are matters to be decided by courts of law rather than by politicians. I have even said that, if necessary, our government would be prepared to help Quebec out in such an appeal by providing all the necessary information.

Before going on to the third claim, I would like to draw the attention of the member for Mégantic—Compton—Stanstead to the fiscal stabilization program I have just been talking about.

I am a Liberal, and Liberal is spelled with a capital "L", which means I believe in the principle of solidarity and in sharing the wealth. I believe as well that government has a role to play in this. A program like the fiscal stabilization program enables us to express Canada's social solidarity in concrete terms.

The public understands that these programs have criteria, naturally, in order to prevent abuse and to ensure that public funds are managed wisely and in their interest. And the criterion of loss of revenue due to economic slowdown seems to me a very valid one.

Now we come to the last matter, the claim for the education of young aboriginals in northern Quebec. This week, I told the Quebec minister that the federal government, far from dragging things out, was anxious to see this issue quickly settled. I say it again today and I would like to explain why it took so long to deal with this issue.

Both governments have agreed, in the James Bay and Northern Quebec Agreement, to share the education costs of young Crees of the Cree School Board on a 75–25 basis, that is 75 per cent for Ottawa and 25 per cent for Quebec. One of the reasons for that is that the Cree School Board serves a student population which varies from year to year and which includes a number of non–aboriginal students whose education costs are met by the province of Quebec.

The agreement states that budgets must be approved by both parties since amounts to be compensated depend on the education budgets, including capital budgets, teacher salaries and the proportion of aboriginal students and non–aboriginal students in the student population.

The Quebec government has always been reluctant to let the federal government play a role in budget approval, despite our repeated demands. Even though it never approved those budgets, the federal government already paid $464 million to Quebec. Therefore, we cannot be accused of being deadbeats. All they can say is that, since Quebec did not provide us with the information necessary to determine which amounts should ultimately be paid, we are protecting Canadians interests by not giving it a blank check.

Since the federal government did not take part in the decisions regarding the education budget, it is important that we understand the basis on which those decisions have been made before we decide whether a supplementary payment is appropriate or not. We refuse to sign a blank check for amounts which may not be owed.

• (1130)

This being said, and I conclude on that, the federal government always assumed its responsibilities towards natives and fulfilled its obligations under the James Bay Agreement.

To conclude, the federal government is a reliable partner seeking co–operation, but managing carefully taxpayers' money. I am calling upon the sense of responsibility of the hon. member for Megantic—Compton—Stantstead and his colleagues from the official opposition, and ask them to understand that fact. I am convinced that it is what Canadians, including Quebecers, expect from us.

We will continue to deal with real problems, the problems for which we were elected by the people of Canada, the problems to which we were asked to find solutions. The Government of Canada, our government, is an honest, open and reliable government. A government which deals with provincial governments in an equitable manner and looks at issues in good faith.

We are always willing to work with provincial and territorial governments in the interests of Canadians. This is why I will vote against this motion and I urge fair–minded opposition members to do the same, in the interests of Quebecers.

This is what we are doing and this is what will be done in the future.

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I would like to get back to some of the points raised by the minister who, a few months ago, was a keen advocate and defender of flexible federalism. Could it be that he is abandoning his lofty notions of flexible federalism to champion the cause of courtroom federalism? This is the conclusion one is inclined to draw from his speech.

The minister says that it has not been proven, beyond any doubt, or close to that, that the sums being claimed were indeed spent on young aboriginals according to the James Bay Convention. And yet, his government did not show the same scruples last year when the press reported that every year native people in Canada receive $1.2 billion without a census to establish their exact number.

And yet his government—I understand, I lay no blame—paid the money anyway although it meant that later on, it might have to make up the shortfall or withhold certain sums; it still took action. In the present case, I believe the minister is dead set against Quebec. He will not budge, no matter how legitimate the claims Quebec has against the federal government.

I just came back from a committee meeting. We learned that in Canada there are 298 public sea ports, and the present federal government is unable to say whether they are indeed public or private. For years now, it has been guesstimating. Sometimes, it assumes they are public and sometimes not.

Does the member for Bonaventure—Îles–de–la–Madeleine know that, in his riding, there is a port in Chandler which is still being funded even though it is not known whether it is private or public? Ottawa keeps on acting as if it were public and belonged to the federal government. Funnily enough, scruples only happen when Mrs. Beaudoin makes claims on behalf of Quebec. I

find this intolerable on the part of a man who prides himself on being responsible.

The minister, if he was that honourable, could have agreed with Mrs. Beaudoin on a certain amount to pay. Even if we cannot come to terms on the final numbers, we know that not everything is free, including in James Bay. He could have acted in good faith and paid out an approximate amount, which he most likely owes, even though it would have meant he might have to make up the difference or withhold part of the money to be paid some time in the future under the same convention or program.

• (1135)

In conclusion, I am not surprised that the minister intends to vote against our proposal, but I will ask him to refrain from saying that he is doing it in all good faith.

Mr. Massé: Madam Speaker, I am happy to see that the main objective of the opposition member is for the federal government to manage taxpayers' money with justice and honesty. I agree with him entirely. That is why, in the case of the Oka claim, even though we had already paid $122 million to Quebec under the Disaster Financial Assistance Arrangements, when we decided that we did not have to pay anything else, instead of just saying: "No more, we owe you nothing more", we went to the extreme courtesy of naming a third party to audit the books once again in order to give the province of Quebec another chance.

It is also the reason why we asked the auditor general, who is certainly the most credible reference in the matter of fairness and good management of public funds, to go once again over all the invoices, to try to determine if we still owed something to Quebec. If the report says we still owe certain amounts to Quebec, if we owe money, we will pay up.

As far as fiscal stabilization is concerned, I mentioned earlier that we have reviewed all the payment criteria and have come to the conclusion that no amounts were owing. Quebec is not the only province in this case. The situation is the same for Saskatchewan. This province also presented claims which, in our judgment, were not in accordance with the established payment criteria, so the amounts requested were not paid to Saskatchewan either.

In the present case, the opposition will, once again, have to congratulate us because we chose not to pay amounts that were not owed. But, to be perfectly fair, we came to the conclusion that we had to allow Quebec, as well as all the other provinces, to appeal our decision and our interpretation of the criteria. Clearly, the provincial government should not appeal to us, since we concluded that there was no money owed as far as stabilization was concerned, but to a court of law since it is the interpretation of the law which is being challenged.

In the third case, our friend from the opposition suggests that we at least give an amount corresponding to expenditures as a whole and hammer out the adjustments later on. But what have we done so far? In fact, in all these years, we have given $464 million to the province of Quebec for the education of aboriginal people. However, as the province of Quebec did not fulfill its responsibilities according to the James Bay agreement, we were not able to verify if there were other amounts that could be owed. Once again, to be as fair as we could, we proposed that a group of civil servants study the amounts given, the school board budgets, their capital budgets, the make–up of the student population, to see if other amounts were owed.

I say again, if we come to the conclusion that we owe some money, we will pay up. I conclude by saying that not only did we pay our fair share, but also we went the extra mile to give the province of Quebec every recourse possible and to ensure its claims are reviewed.

• (1140)

In this case, if opposition members are fair–minded about this, if they try to see just how well the federal government has managed the taxpayers' money and to understand the fairness principles involved, I am pretty sure that they will vote against their own motion.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Madam Speaker, first of all, I want to tell the minister that I find his comments rather insulting, especially when he said that, in his view, I was not important enough to move such a motion in this House. The Minister of Intergovernmental Affairs suggested that the Leader of the Official Opposition is the one who should have done so. I do not know if he thinks the same about members speaking for the Liberal government, because that would mean that only the Prime Minister has the right to speak in this House.

As regards the very substance of the motion, I would like to say to the minister, who prides himself on being a Liberal with a capital L, that although the stabilization program precisely aims at helping the neediest provinces, these last few years, a province such as Alberta received $174 million in 1982–83, and Ontario, a rich province, according to government spokesmen, received $227 million in 1990–91 and $284 million in 1991–92 while the Government of Quebec was denied the same conditions.

Mr. Massé: Madam Speaker, I think that the hon. member of the opposition is confusing the equalization program with the stabilization program.

The object of equalization payments is to give the have–not provinces the possibility of providing public services of a quality similar to those offered elsewhere. That is why equalization payments are not made available to the wealthiest provinces, but only to those less well–off. That is not the object of stabilization payments.

The object of stabilization payments is to stabilize provincial revenues. If your revenues, according to the criteria, are lower than before, the federal government offers a compensation. If they are not lower or if they are but because of something that the provincial government itself has done, then there is no compensation. That is what happened.

[English]

Mr. John Duncan (North Island—Powell River, Ref.): Madam Speaker, Reform members will be splitting their time.

I appreciate the opportunity to participate in debate on the Bloc opposition motion before the House concerning additions to the long list of Quebec demands again laid before the House and ultimately the Canadian taxpayer. I have a hard time denouncing the federal government's tardiness in the face of these spurious and ongoing demands. It is heartening to see the government and particularly the Minister of Intergovernmental Affairs exercising some prudence and caution in doling out resources the government does not have.

I suspect the Quebec intergovernmental affairs minister, flushed with success from her 1994 coup in Ottawa when she pried $37 million out of the federal coffers for the referendum on Charlottetown, felt this trek to the capital would immediately result in the payout of $333 million.

Today we have the Bloc shilling for Quebec's intergovernmental affairs minister and solely as usual for the province of Quebec by way of an opposition day motion. Unlike September 1994, this time others have a chance to participate in the Canada–Quebec sweepstakes.

The motion calls on the House to denounce the federal government for not paying an additional $119 million which Quebec claims is the unpaid federal share for educating Indian and Inuit children in northern Quebec over the past nine years. Federal officials contend that some $450 million has been paid in this spending envelope and that conditions set forth under the James Bay and northern Quebec agreement and northeastern Quebec agreement have been contravened as a consequence of overspending by the Quebec government.

Who is right? Has the Quebec government sought approval from the federal government to do so? Who knows? A Bloc motion and a trip by a provincial emissary are not good enough for me.

• (1145)

The 1995–96 estimates for Indian affairs indicate spending of over $825 million on all elementary, secondary and post–secondary education for natives. On the post–secondary side it indicates an increase of $34 million over 1994–95. In the 1992–93 fiscal year departmental spending in education was $711 million. This year's estimates indicate a $114 million increase over a three–year period, or roughly what the province of Quebec is asking for by way of its alleged shortfall.

No one is denying any person access to a complete education. In the instance of aboriginal education certain comprehensive funding agreements or alternative funding arrangements have to be met. Political posturing and using the current political sensitivities by way of an implied threat will not get my party to support another $119 million being anted up, no matter how charming the messenger.

Allow me to turn to the second demand of the motion as orchestrated by last week's trip by the provincial intergovernmental affairs minister. In this instance the House is being called upon to denounce the federal government for not reacting to Quebec's demand for the government to apply the federal fiscal stabilization program and help out Quebec during these difficult fiscal times to the tune of $135 million.

Quebec claims drastic drops in revenue and thus qualifies for support from the emergency program. The provincial minister and the Bloc have good memories, since the claim for the payment of $135 million goes back to 1991. What was the revenue shortfall in Quebec in 1991? What was the emergency situation? These seem like reasonable questions. Since the Bloc was not in power in 1991 it is nice to see the Bloc carrying the can in Ottawa for Robert Bourassa.

Under the fiscal stabilization program certain conditions must be met for eligibility to funding. In 1991–92 and during this recession five provinces were found wanting and received a total of $418 million. Quebec and Saskatchewan were found not to be eligible at that time. However, in 1992–93 Quebec received $125 million from the fund. If the Bloc feels so strongly about the case, why not follow the federal government's suggestion and go to court? Why would it ask Parliament to give carte blanche approval to meet this demand?

We understand that the legislation and regulations of the Fiscal Stabilization Program Act were met and no favourites were played. However, because Quebec was involved and was turned down this was somehow considered suspect immediately and that we should go to arbitration. No way.

The issue is simple. Everyone is aware that it is one of an overall separatist strategy to make taxes and tax sharing the real issues in the sovereignty referendum. The Quebec finance minister has already threatened Quebecers in his recent budget by claiming that a no vote would mean higher provincial sales taxes to offset federal cuts in transfer payments. The leader of the PQ claimed that the federal debt burden had been shifted solely on Quebec and that he could not talk seriously of a cost effective and flexible federal system.

The Bloc has joined the bandwagon and continued the blackmail by way of this motion. It is interesting that neither of these two leaders will discuss budget projections or provide information on what a yes vote would do. We all know it means even

higher taxes for Quebecers. According to a recent Fraser Institute study they would be a whopping 25 per cent higher. Whom are the Bloc trying to kid? This is rank amateur blackmail.

• (1150)

The motion calls upon the House to denounce the federal government's tardiness in meeting the Quebec government's claim of $79 million for costs of using the Sûreté du Québec in the events at Oka in 1990. The issue requires some historical perspective so I will trace the debacle largely instigated by the Sûreté du Québec, the police force for which we are being asked to cough up another $79 million.

Some very strange decisions were made at Oka by the Quebec government. On July 11, 1990 Sûreté members stormed the Mohawk barricade a Kanesatake. In the ensuing gun battle a police officer was killed. As a result we had a standoff which lasted 78 days. Soon after the events of July 11, police began blocking food and medical supplies destined for Mohawk residents at Kanesatake.

Widespread criticism led to a lifting of the blockade on July 26. Talks began between the parties and on August 8 the Prime Minister appointed as mediator Chief Justice of the Quebec Superior Court Alan Gold. At the same time the Prime Minister said he would make the Canadian army available if Quebec needed it.

On August 12, Justice Gold announced some agreement and two days later it was announced that the Quebec government had requested the Canadian army. A force of 2,500 soldiers moved in. The next day it was announced that the army would replace the Sûreté at the barricades. This was completed on August 20. Talks were going nowhere, and on August 28 the army was asked by the premier to remove the barricades.

The motion is a one dimensional litany of Quebec complaints. The Bloc is not truly displaying its position as official opposition. It would be better served devoting more attention to national issues and less time on purely political posturing to serve one province.

I cannot support the motion.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I listened carefully to the speech of the hon. member and I am somewhat surprised by his paternalistic attitude regarding the claims that are being made.

The claims made by the Quebec government at this stage are about adjustment and correspondence to criteria and things of that nature. We are not here to question the way governments have acted. In that regard, I think that the hon. member's attitude was more or less appropriate when he asked if the gouvernment had acted in a relevant way and when he suggested it should act in such and such a way in another situation.

However, as regards fiscal stabilization, I believe this raises an important substantive issue. We are told that the Quebec government should go to the courts since it received an unqualified refusal from the finance minister. Should we not question the relevancy of a fiscal stabilization agreement in which the federal government is both judge and judged? Indeed, the government will give the money if the claim is considered justified, but the government is also, through the finance minister, the final authority allowing the disbursement.

Should such an agreement not be considered as a form of domineering federalism where the father decides what is good for his children? As if the provinces were the children of the federal government. Should we not ask ourselves something?

• (1155)

Should there not be, for this type of agreement, an independent body which could decide on the relevancy of claims in cases of disagreement between the federal and provincial governments? This way governments could be spared legal battles which entail useless expenses and necessarily lead to political claims, like the ones the Quebec government is making, when one of the parties involved refuses to agree to a claim considered to be justified by the Quebec government.

[*English*]

Mr. Duncan: Madam Speaker, in terms of the fiscal stabilization issue, I have a lot of problems with the issue in a broader sense. We have an equalization arrangement that was reaffirmed for five years last year in Parliament. It was based on government and on party discipline voting. The agreement is one whereby the fourth most prosperous province, the province of Quebec, is receiving something in the order of 40 per cent of equalization payments. That has created some major contention in other parts of the country.

In terms of the actual question of dealing with whether the judge and jury on arguments within that framework should be an independent body, I have some sympathy with the argument. Otherwise it is very prone to political manoeuvring whether it is from a provincial jurisdiction or the federal government.

That is the rationale for including the courts in the process but perhaps there is another way to do it other than through the courts.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, it is stimulating for me to rise today to address the Bloc motion which denounces the government for its tardiness in addressing Quebec's demands for outstanding payment in three critical areas.

What does the Government of Quebec want? If we examine the request we see that the Parti Quebecois or the Government of Quebec says that it is owed $79 million for costs incurred during

the Oka crisis of 1990. This bill is mainly for overtime paid to the Quebec provincial police. Quebec claims that Indian affairs is a federal jurisdiction and the government has a crisis fund from which the money should be paid.

On the surface it seems like a reasonable request and is reasonably justified. If we were to get into the details we might find room for argument. After all we all know that if the provinces request through their attorneys general the aid of the civil power for their police it is a provincial obligation to pay.

In any event, Ottawa says that it has already paid $5.3 million. It has asked the federal auditor general to review the claims on both sides and propose a fair division of costs. This seems like a quite reasonable position which I submit should be given a chance to work.

The second claim on the part of the Parti Quebecois or the Government of Quebec is for $119 million for moneys spent on the education of young natives in the James Bay region of northern Quebec. The spending of $119 million for the education of natives was very laudable and worthwhile.

The PQ claims that the 1978 James Bay agreement contained provisions for Ottawa to pay a portion of the costs, but that since 1987 it has refused to pay its full share. The response from Ottawa is that it has already spent $450 million over the past several years and that additional costs were incurred by the province of Quebec without federal approval. According to reports, Ottawa is quite willing to discuss this matter in further detail but Quebec is unhappy with the pace of the negotiations to date, if not the negotiations themselves.

• (1200)

I submit that the negotiation process should be encouraged so that a fair and equitable agreement can be reached on this important matter. It seems that in this play between the government and the PQ and even the BQ, Reform has almost taken the position of honest broker.

The final claim of the PQ is for $135 million under the stabilization payment programs for 1991–92. The PQ says that richer provinces, including Ontario and my province of British Columbia, got money under the program which compensates provinces if they lose revenue because of an economic downturn.

Ottawa's reply in this case is that the finance department analysed Quebec's application on the same basis as other provinces that applied that year and the application was turned down, as was that of Saskatchewan. If that is the case, then Quebec has no claim.

Having looked at the demands and Ottawa's response to these demands, it is also very important for all of us to look at the motivation behind these claims. The Parti Quebecois is currently engaged in a campaign to separate Quebec from the rest of Canada. The PQ is calling it a sovereignty campaign but it is just that, a campaign to separate.

We read in the polls that the campaign shows the separatist side is losing. We must ask ourselves the question: Could it be that the PQ and their BQ allies are simply looking for an issue to help buoy the sagging separatist cause? If we examine the theory we see that such a tactic could bring positive gains to the yes side.

First, if Ottawa refuses to pay, the PQ and the BQ can tell Quebecers that Ottawa just does not care. That it is just another example of why Quebec must separate from Canada, because Ottawa cannot be trusted to live up to its commitments.

If Ottawa gives in and pays what the PQ says it is owed, then the separatist forces can trumpet: "This is a victory against domineering Ottawa". Either way, the PQ and BQ can score political points. This is what troubles me about the bills being presented by the PQ and the motion presented by the Bloc today. It appears to be motivated by crass politics and is not a genuine desire to enhance the lives of Quebecers.

At the same time I have to applaud members of the Bloc for their dogged determination to bring before the House issues that affect their constituents, the people of Quebec. They are very good at that. However, as I mentioned earlier, it is unfortunate that this determination is not based on anything more than achieving the Bloc's stated political goal of separation.

I must also admonish the Bloc for neglecting its role as the official opposition. If the Bloc wants to maintain the role of official opposition, it has to widen its focus and begin to address the many greater areas of common concern in Canada. It must not be allowed to simply use its position to further its own agenda.

Dedicating limited supply days to debating motions such as the one we have before us today means that the affairs of the nation as a whole are put on the back burner while we all address issues which affect just a limited portion of our society. That is the problem. To me it is an abuse of the parliamentary process and to a large degree an affront to the majority of Canadians, even to Canadians in Quebec who are tired of seeing themselves used as nothing more than pawns in the political games being played by the Bloc and its PQ allies in Quebec city.

• (1205)

If the PQ and the BQ want to separate, then let them hold their referendum without delay and let Parliament get on with the business of running Canada for all Canadians. It is time for parliamentarians to demand the Bloc either fulfil its role as the official opposition or step aside for a party that is willing to do the job. The Bloc must not be allowed to hold Parliament hostage any longer.

It is within the power of Parliament to remove the mantle of official opposition from the Bloc and bestow it on a true opposition party. This has not happened to date because the Prime Minister appears unwilling to do it.

Therefore I appeal to Canadians from coast to coast to coast to write the Prime Minister and ask him why he is an accomplice to these political games; ask the Prime Minister to allow the House to conduct a free vote on which party should be the official opposition.

It is time for us all to move forward in the interest of all Canadians. The Bloc is hindering this process with the type of motion that is in front of us today. Canadians say enough, and I say enough, and enough to the motion before the House as well.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Madam Speaker, I suppose my colleague for Nanaimo—Cowichan got carried away, to have made such comments. I usually have great respect for what he says in the House. The speech he delivered in the last ten minutes shows how our friends from the Reform Party are unable to give any serious consideration whatsoever to the legitimate demands of the government of Quebec.

I have two points to make. The member explained, during his ten minutes, that the tabling, by the Bloc Quebecois, of a motion asking the federal government to act properly and stand by agreements it made under the statutes governing our institutions, is nothing more than separatists bringing up a local problem for partisan purposes.

I am sure my colleague cannot, in all conscience, maintain such an absurdity. He knows perfectly well that what the opposition is asking this morning, what the present Quebec government is asking, is what the Quebec has been asking for ten years in one case, five years in another case and three years in the last case. These demands date from the days of the Bourassa government. As I mentioned in my speech, Mr. Bourassa cannot be accused of thinking separatist thoughts.

My second point is that I was surprised to hear such comments from a Reform member who is always asking the federal government to stop interfering, to let the provinces act in their own field. He is asking even more—he would like the powers of government to be decentralized. He would like us to have a smaller federal government.

When the Bloc Quebecois, the official opposition, rises in the House on a motion that basically has the same goal, my colleague is blinded by partisan considerations and he lowers the level of debate to a partisan debate. I think there is no room for such behaviour in this House. I hope my colleague will take advantage of the few minutes he has left to refocus his thoughts.

• (1210)

Mr. Ringma: Madam Speaker, I must say that I partly agree with the hon. member's words. He is certainly right when he says that the Reform Party is against big government, against too much government and against too much control by Ottawa over the provinces.

I agree that we would like to have decentralization as outlined. But at the same time, and I will repeat what I just said. I see in the Bloc's motion a totally political manoeuver to bring the separation issue into the debate today.

I can say that I heard the Bloc previously describe federalism as dominating. I also agree with that. But we have to change the government, we have to change the system first. We need decentralization, but we do not have it yet. We must work in order to achieve it.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Madam Speaker, I find it rather deplorable that some people will say almost anything to score political points in the House. I understand that the hon. member might be very interested in forming the official opposition, but an election will be held only after the Bloc Quebecois is gone.

I would like to say to the hon. member that it is in Quebec that the Oka crisis happened. It is Quebec that has problems with the federal government with respect to payments for aboriginal education. It is Quebec that has problems regarding stabilization. That is why we are here, to defend Quebec's interests.

[*English*]

Mr. Ringma: Madam Speaker, of course they have problems in Quebec. Of course they must stand up and defend them, but I will come back to what it is I am saying.

We want to be the official opposition and yes, we will wait for a byelection to have it happen properly. In the meantime, the Bloc is doing nothing more than being the advocate of everything in Quebec and is not acting as the official opposition for all Canadians.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Madam Speaker, it is a great pleasure to rise at this stage in the debate, especially after a speech by the Reform Party on a very important motion tabled by the Bloc Quebecois.

I think that we should put the cards on the table and look at what is really happening. The motion is very clear. It is aimed at denouncing the federal government's delay in paying the money it owes Quebec. This government owes Quebec $79 million as a result of the Oka crisis, $135 million under the 1991–92 stabilization program, and $119 million for problems related to

the education of young aboriginal people in northern Quebec. The Minister of Indian Affairs and the federal government know that these amounts are owed, but they are not doing anything about it.

It is normal for the Bloc Quebecois, for Quebec MPs elected by Quebecers to defend Quebec's interests in Ottawa, to table such a motion on an opposition day, because it is in the news. This week, a Quebec official met with her federal counterpart to claim the tidy sum of $333 million. You expect us to remain silent while this is going on? No way. We have been sent here with a clear mandate, which we intend to fulfil, and we will fight for this money because it is owed to Quebec. We will work to get it.

• (1215)

Again, this issue gives us the opportunity to show clearly that Quebecers made a very definite choice in the last federal election because, as you know, Madam Speaker, this issue has been dragging on for years. Let me take a minute to give you some background information. We did not make anything up. The Bloc Quebecois and the big bad separatists in Quebec had nothing to do with this. Once upon a time, there was a federalist government called the Bourassa government in Quebec; it was a Liberal government. In the last Liberal budget tabled in the Province of Quebec, the Bourassa government indicated that the federal government owed $300 million to Quebec.

Is this something that big bad separatists made up? No, Madam Speaker. If the allies of our friends opposite, those who will share their platform in the Quebec referendum scheduled for this year, if the Liberals mentioned this $300 million in their budget—and we know that they are pals with our friends opposite—it is because this amount is really owed. It remains to be paid.

I had a prepared speech but I think that I will set it aside and speak from the heart instead, because this is much too important an issue. I think you can push, but only so far. Our motion refers to three demands of the highest importance. Let us look at them one at a time.

First, there is the Oka crisis. What was this crisis? Well, Oka is in Quebec. Certain Indians claimed a strip of land in that area in the 1990s, and the Quebec provincial police, as well as the Canadian Armed Forces, had to be called in. The Minister of Intergovernmental Affairs said so himself. He reported having spent $122 million on these measures. And we are supposed to believe that these were not emergency measures related to a disaster, that, to use his own words, public order and public good are slightly different?

If it were strictly a matter of public good, what was the army doing there? Why did the government spend $122 million? Can you tell me, Madam Speaker? Because there was an element of public order involved, which is directly covered by federal–provincial agreement in the definition of disaster. This may sound like a strange term, disaster, but that is what the agreement says, and letters were even exchanged by the two levels of government, in which the federal government recognized the events in Oka were a disaster under the terms of the agreement.

Correspondence exchanged between the provincial Liberal government and the federal Conservative government at the time provides that the Oka crisis is covered by that agreement. An amount of $139 million was spent on that in Quebec. How did the federal government pay its debt? It gave $5.3 million. Then, it said: "The federal government is acting in good faith. It would pay the total bill, but the issue relates to public good, not public order". Such an interpretation can only be made in bad faith. When $122 million was spent because of the existence of a threat to the public, either the federal government pays the full amount or, if it does not want to respect its own agreements or thinks that it will not be able to fulfil its commitment, it should not sign such agreements with the provinces. This is what is deplorable.

Governments, whether they are Conservative or Liberal, are all the same. In fact, whether we are talking about the Conservatives, the Liberals or the Reform Party, it is all the same when it comes to looking after Quebec's interests. They are all opposed to these interests. This is the case and we have a very good example of that here, where Reform, Liberal, and Conservative members are working hand in hand. They belong to different parties, but they all react in the same manner regarding this issue. They are all opposed to Quebec's interests.

• (1220)

They put Quebec in its place. That is what federalists want to do, put Quebec in its place, and that is what they have been doing for 30 years. And then, they wonder why there is a sovereignist movement in Quebec.

There is a very precise order to the events in the Oka crisis. All the ministers who dealt with that issue have that correspondence. They know that the $139.7 million Quebec spent on that issue was not money spent for a futile purpose; it was spent to maintain public order. There was a major crisis going on. Those events involved the death of one person, and there was the need to intervene. That is why that money was spent, through the Quebec provincial police force.

It must be remembered that there is a provincial police force in Quebec. The province provides its own police services. What would have happened, say, if such a crisis had taken place in Manitoba, a province without a provincial police force? The events would have been monitored by the RCMP. Who would have paid? The federal government. Would the federal government have passed the $139.7 million bill on to the province of Manitoba? I doubt it.

Let us look at what is going on now with federal–provincial agreements on law enforcement services between that province and the federal government. The federal government provides police officers, and pays them, but it cannot even pass on the bill to get full payment for the services it provides to that province. Some might think that the member for Berthier—Montcalm is putting forward figures without knowing what he is talking about, but those are not my figures. The Solicitor General of Canada is the one who pointed them out. The solicitor general has been saying year in and year out: "You cannot even recover all the costs of the RCMP services you are providing, and you should".

And then, we are told that in a case like the Oka crisis that could have happened anywhere in Canada, the whole bill should be passed on to the province. Madam Speaker, this could only happen here. It could only happen in Quebec. It is the only province that has to argue to have the federal government pay its bills. We should not forget the Charlottetown referendum. How many times did we have to raise the issue in this House in order to get the federal government to pay the $35 million it owed? Quebec paid twice for that referendum that was forced upon it. The federal government imposed that referendum, and we had to pay for it twice.

It is only when the government opposite examined the issue, set aside its political interests and partisan considerations that it handed a $35 million cheque to Quebec, because that claim was indeed justified.

The situation is exactly the same with the Oka crisis. Quebec is owed $79 million. Now, who is going to pay?

I would now like to say a few words about the second claim concerning the education of young aboriginals. I am particularly pleased to do so when the minister is here. He will certainly confirm what I have to say.

Is it not strange that, here again, we had agreements between both levels of government on the education of aboriginals? One point should be clear. Aboriginal affairs are a federal jurisdiction. When the federal government steps outside its jurisdiction, we take it to task. What we have here is exclusively under federal jurisdiction. Let the government abide by that nice Canadian constitution it so eagerly defends in the House. Let it honour its signature. Here again, we have a federal–provincial agreement under which the federal government is supposed to pay 75 per cent of costs and Quebec 25 per cent. The minister gave an excellent explanation earlier. A few young whites live on the reserve, and their education is a provincial jurisdiction. Therefore, Quebec should pay for their education.

• (1225)

The federal government should also pay for the natives living on that reserve and on all the reserves in northern Quebec. Following the James Bay agreement, both levels of government reached an excellent agreement under which the federal government and the province of Quebec split some of the costs.

Between 1978 and 1987, this approach worked very well. The federal always paid as soon as it received the bill sent by the Quebec government. In 1987, the federal government stopped paying. Why? Because it argued that the bill was too high and that the expenses had increased too much. Why had these expenses increased? Simply because the birth rate has increased on the reserve as well as the number of young natives, and more natives had gone back to school. The Quebec government was providing more education services and more classes to the natives. So, the federal government said: "Oh no, the expenses have gotten out of hand; we will no longer pay".

Today, the minister had the nerve to say: "Look, we are acting in good faith. We paid $450 million". Yes, but they stopped paying in 1987. Is that what he calls acting in good faith? Is that what flexible federalism is all about? Is this the kind of federalism in front of which we should grovel like the members opposite? Without Canadian federalism, there is no salvation? I do not think so.

In cases like this one, we will still be blamed for defending Quebec's interests, even if the federal government obviously owes us some money. And we are not talking about petty cash here, but rather $119 million. We should give up $119 million without saying anything. This is horrible. It is unacceptable.

What is even more unacceptable is for some members representing Quebec ridings to rise and to criticize us because we are defending Quebec's interests and asking for the money owed to us. We want what is ours. This money is owed to us.

These Quebec members will still rise to try to sweeten things up, to hide the truth and to tell us why they do not have to pay. However, all the documentation we have clearly shows that some agreements were reached and some promises were made by the various levels of government concerned.

This only goes to prove that the system in which we live is awful and cannot work. There are two nations in this country; there are two countries in this country. We are totally unalike. How do you think we can agree when they cannot even respect contracts which they signed? Moreover, they invite us to settle our disagreements in court. "We do not agree, so let us go to court".

We can do that with the United States. A great Canadian like the Minister of Intergovernmental Affairs can say to his neighbours who do business with Canada: "Listen, if we cannot reach an agreement, you can always go to court; that is what courts are

for". But, to my knowledge, as long as Quebec does not say yes to sovereignty, as long as Quebec is not a separate country, we are still part of the system.

This is what the so–called flexible federalism is. Is this what the blind advocate of flexible federalism is going to offer us? It is scandalous. I think there is no better way to describe it than to say it is scandalous.

The third claim, and not the least, is an amount of $135 million for the 1991–92 stabilization program. If my memory does not fail me, it was not the big bad separatists who were in power then, it was the Liberals.

• (1230)

Indeed, the Premier of Quebec was the ineffable Robert Bourassa, a federalist well known by our friends opposite, and this man claimed $135 million. That tells you something. If a man like Mr. Bourassa put down in his books that the federal government owed Quebec the sum of $135 million, you need not look any further, it is a minimum. No matter how you calculate it, he was so afraid of displeasing his great federal friends, he so often groveled before the federal government, that if he submitted a claim for $135 million, you can be sure the federal government owed this money to Quebec. There is no need to look any further. We can make all kinds of complicated computations, we can make a balance sheet say what we want, I think everybody here agrees with that.

The fact remains that, if federalists like Robert Bourassa and his cabinet, of which the present Minister of Labour was a member, claimed such an amount, then that was probably the amount due. I would like to hear from the Minister of Labour, who was elected to protect Quebec's interests, since she is very familiar with all the details of the claim. I would like to know what she says to the Minister of Intergovernmental Affairs.

Does she say that that is the correct amount as she used to claim when she was a member of the Bourassa government? Does she say that Quebec's claims like the one for the Oka crisis, which she certainly knew all about as a member of the Bourassa cabinet, are well founded? Does she say to the intergovernmental affairs minister that the money owed for northern Quebec natives' education should be paid? She was once the Quebec Minister of Education. Does she say it should be paid? Will she rise in the House? I am anxious to see how she will vote tonight on the motion and to see if she defends Quebec's interests as we do because it was for that reason that we were elected. I am anxious to see her on her feet.

The federal government made written and oral commitments to Quebec. It is accountable to the people of Quebec. Moreover, it is the source of some of the problems we are faced with today. The federal government should pay right away what it owes Quebecers. Do the honourable thing and pay what you owe.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, in such a delicate matter that concerns not only our native people but also Quebec's honour, we must not forget that, in 1990, the media in Europe, Asia and all over the world criticized us for the way this dispute with our native friends had been handled. It was not something that Quebec could be proud of.

When I hear opposition members say that we, government members, are not protecting Quebec's interests, I would like them to tell me why they have decided to change their position with regard to the referendum. Now they want to have an association with the Canadian government even though they claim that it does not honour its fiscal commitments. Everybody knows that it is not true.

I would be curious to know the opinion of small municipalities which have received funding for infrastructure projects thanks to their support, to the co–operation of the province and to the federal government's determination to put Canadians and Quebecers back to work.

The members opposite say that the Canadian government has not responded to the Quebec government's demands, but it is absolutely false. It is the government of Quebec which called on the Canadian Armed Forces, and it is the federal government which spent $122 million. We must not forget that. You know, Madam Speaker, this bill will not be paid by the government of Quebec. It is through federalism, as it now stands, that we can share our resources. That is what gives our country its strength. The province of Quebec has a lot to gain by being part of our great Canadian family.

• (1235)

Of course, the fact that the federal government has paid $450 million for the education of natives in northern Quebec has already been mentioned. I could talk some more about all the programs which have benefited Quebec, but it is absolutely wrong to say that the members opposite are speaking for Quebec. I am a Quebecer, a Gaspesian and proud of it, and if an opposition party which does not even represent the majority in Quebec in terms of the popular vote thinks it can tell me—

Some hon. members: Not true!

Mr. Gagnon: Madam Speaker, I would like to point out that they only captured 48 per cent of the popular vote, and that the Parti Quebecois only captured 44 per cent of the vote in the provincial election. If they had the honour, audacity and intellectual integrity to say to us tomorrow morning: "We are going to hold a referendum and the question will be: Do you want to separate from Canada, yes or no?", I assure you that they would be lucky if 30 to 35 per cent of Quebecers were to vote in favour.

Therefore, I ask the members of the opposition why they decided to go this route, if Canada really is the deadbeat they make it out to be. Why would they still want to remain associated with Canada if, according to them, the Canadian federation is not worth the trouble?

Mr. Bellehumeur: Madam Speaker, what a shame that the hon. member opposite cannot tell an apple from an orange. Understandably, both are fruit, but that is no reason to confuse the two. Although we are no longer on the subject of the motion, too much is at stake not to reply to the hon. member's question regarding why we have proposed an association with Canada.

For one, we are not proposing an economic association with the federal government; we are proposing an economic association with the other provinces, with Canadians. It would be an economic association between peoples, not between governments. The federal government is the deadbeat; not the Canadian people. The federal government has acted in bad faith; not the Canadian people. The federal government is into petty politics; not the Canadian people.

By asking this question, the hon. member has revealed just how clueless he is about the referendum debate in Quebec. I invite him to pay more attention to the debate on the referendum, which I can assure him will be held in 1995.

Mr. Gagnon: I certainly hope so.

Mr. Bellehumeur: And I hope with all my heart that the great defender of this great country, none other than the Prime Minister of Canada, will join hands with the Conservative member of this House, the leader of the Conservatives, and with the Reformers too, because they all came out of the same mold. They will all try to sell flexible federalism to Quebecers.

But we will also be on the scene to push our position. We will also point out that the federal government's first reaction is always to say no to Quebec. The hon. member made comments on my speech, that is his right. But I find it strange that he did not really talk about the important points I made in my speech. Was money spent during the Oka crisis, yes or no? Did the federal government consider it a catastrophe, yes or no? Did the federal government send the army because it considered the incident to be a catastrophe as defined under the accord, yes or no? Why did the federal government spend $122 million, like the hon. member said, if it had no business in Quebec, if the incident really was a purely provincial matter?

Because Quebec asked it to? Of course. But that answers the question of whether or not it was a catastrophe. How odd that the hon. member did not talk about that. And regarding the $450 million, yes the federal government did spend $450 million on education up to 1987. I would remind the hon. member, however, that Quebec paid its share, 25 per cent or around $115 million.

The sum we are demanding is for all of the years after 1987 in which the federal government did not want to pay, under the same accord, the accord under which the federal government had already paid in years past. We are asking for nothing more than our due. The same goes for the stabilization payments.

• (1240)

How strange that the hon. member did not go into detail, did not explain why we were not entitled to claim these sums. No, instead, he accused us of comparing apples with oranges regarding sovereignty and would have you believe that we have charted a new course. Had he only really listened to the Bloc Quebecois since its arrival in this House, he would have realized that we did not do an "about face"; we are just openly repeating things we have always been saying here. This is merely a synthesis of our thinking.

The hon. members opposite can jeer all they want and call it an about face. For us, it is the next logical step on Quebec's path to sovereignty.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, as you know, it was very hard for Quebecers and for all Canadians to see this aggressive confrontation with the aboriginal First Nations, watched by millions of people throughout the world. I found it very troubling.

And I think that this opinion, these feelings, are shared by thousands, even millions of Quebecers. It was very uncomfortable to realize that we did not get along with the first settlers of this country.

That is now history. According to the opposition, it is time to pay the bills. According to the Disaster Financial Assistance Program, the DFAP, the government has paid nearly $210 million in assistance since 1970, so that the bill we were sent by Quebec would represent nearly 40 per cent of the program's budget for the past 25 years.

I agree the bill is pretty steep. It takes time, as the Minister of Intergovernmental Affairs explained, but the federal government always pays its share. We are ready to negotiate. We are ready to review. However, I do not think the opposition should politicize the issue like this, because we are dealing with Canada's First Nations, who arrived in this country long before we did. And I think we owe them something. That is why I ask the opposition to accept that 40 per cent of the federal program will be paid to the Province of Quebec.

Mr. Bellehumeur: Madam Speaker, not 40 per cent but 75 per cent, according to the agreement. That is my first point.

I think the hon. member is confusing the issue. Just compare what is happening in Quebec with what happens in other Canadian provinces. Aboriginal people are treated better in Quebec. I think that as a member from Quebec he should at least admit, here in the House, that we treat aboriginal people very well. And I think they would agree.

Second, when I see a member rising in the House to say; "Yes, there is a disaster assistance program but we think the bill submitted by the Province of Quebec is too steep, because then we would have no money left for anything else"—now I ask you, can we legislate disasters? Can we predict that we will not have more than three? No compensation for number four?

I think it stands to reason that when the government sets up a program and provides assistance under that program, it should expect to foot the bill. Again, I urge the federal government to pay its debts, because this is money it owes to Quebec. Pay now and stop arguing.

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Madam Speaker, I am pleased to rise to address this motion today. Some very important issues have been raised.

The hon. Minister for Intergovernmental Affairs has clearly set out why the government will be voting against the motion. At the same time it is important to understand this issue within the broader context of what the government is doing on aboriginal issues both in Quebec and in Canada as a whole.

The government was elected on a mandate from the Canadian people to respond to issues of concern to aboriginal communities. In the 1993 election we addressed these issues head on in the famous red book. We stated quite clearly what a Liberal government would do and now we are fulfilling our commitments.

• (1245)

One of eight red book chapters is devoted exclusively to aboriginal issues, in addition to references to aboriginal policies in other chapters. Never before in Canadian electoral history had aboriginal issues received such a high profile. The opposition should bear in mind that on the strength of bringing these and other issues to public attention we received a strong mandate from the Canadian people.

In the red book we maintain that aboriginal people in Canada want two things: first, a new partnership with government based on trust, mutual respect and participation in decision making; second, a strengthening of their communities. In the red book we stated that our goal was a Canada where aboriginal people would enjoy a standard of living and quality of life and opportunity equal to those of other Canadians; a Canada where First Nations, Inuit and Métis people would live self–reliantly, secure in the knowledge of who they are as unique peoples; and, where all Canadians would be enriched by aboriginal cultures and would be committed to bringing their fair share of their potential to our nation.

Perhaps most importantly, the red book set out our goal for Canada where aboriginal children would grow up in secure families and healthy communities, with the opportunity to take their full place in Canada. This is our vision and I think it is everyone's vision in this House. We have been moving step by step to bring it alive. In the first year and a half of the government's mandate, we have already made considerable progress in Canada and in Quebec. I am not saying that this is the end–all or be–all, but we have made some progress which I think is significant, even though we have a long way to go.

In the first 18 months as minister I visited Indian and Inuit communities across Quebec and I met with most Quebec chiefs and several Inuit leaders. I have talked to Ghislain Picard of the Assembly of First Nations; I have talked to Chief Max Gro–Louis of the Huron; I have talked to Matthew Coon–Come of the Cree; Jean–Guy Whiteduck; Brenda Gideon Miller; Joe Norton, Dennis Ross, Jerry Peltier of the Mohawk; Marcel Boivin; Bernard Jérôme; Simeonie Nalukturuk of the Inuit; Zebedee Nungak of the Inuit; and Remy Kurtness. Perhaps people are saying I am talking too much. They all tell me what is being done, what needs to be done and how we can do better things together.

We forget. We deal with the aboriginal people almost from a point of ignorance. I was looking at the notes of Joseph–Elzéar Bernier, the Baffin Island explorer, when he first met the Inuit. This is from his own diary: "After firing 19 shots, I instructed an Eskimo to fire the 20th, telling him, you are now Canadian". That is how we started up there.

We forget that in Quebec there are 10 First Nations, over 40 communities and Inuit in the north. These communities are all over the place. They are a suburb of Montreal, they are extended along the St. Lawrence, they are in the interior and they are in the far north. We forget that when Cartier first landed he lost half of his people in the first winter. If it had not been for the Indians, who taught him to put bark and cedar needles and water together, they would have all died of scurvy. The Indians asked for nothing. They asked for nothing. And that is the start of their history.

We came here with a certain amount of avarice in our hearts, telling these people: "You've been holding this land for 5,000 years for us. It is really ours and we discovered it". We forget that they have a proud history. They had been here. They are nations, they were nations and they will be nations.

Some 20 years ago the province of Quebec and Canada solidified an important relationship with First Nations as the first comprehensive claims in Canada, the signing of the James Bay and Northern Quebec Agreement and the northeastern Quebec agreement, fostered a sense of pride throughout Quebec, and rightfully so. I must remind members of the Bloc that it was former Prime Minister Trudeau who was on our side when this agreement was signed, initiated, worked on. It was the present Prime Minister, who had my job, who brought this agreement to

fruition. The heritage of the Cree and the heritage of the James Bay agreement is not only a proud heritage of our country, it is a very significant heritage in the Liberal Party.

• (1250)

These modern treaties mark a pivotal point in our relationship with aboriginal people, not only in Quebec but throughout Canada. Much has already been accomplished under these agreements, but given their extraordinary scope and complexity it is not surprising that much more needs to be done.

When I visited the Cree communities in December I continued discussions with Grand Chief Matthew Coon–Come and Cree chiefs regarding implementation of the James Bay and Northern Quebec Agreement. As a result, work has been undertaken to continue our dialogue on several key areas of concern.

I am pleased to report that under the first self–government legislation in Canada, the Cree–Naskapi of Quebec Act of 1984, significant progress has been made in bilateral talks on agreement on funding a five–year operation and maintenance budget for the regional and local governments.

We also recently reached an agreement with Chief Billy Diamond of the Cree of Waskaganish for fresh water and sewage treatment. I am pleased to report that the construction of the community of Ouje–Bougougmou was written up in *National Geographic* and in articles throughout the world as the way to do things. I think every parliamentarian should go to Ouje–Bougougmou and see how it is done and when we work together how it can be done right.

Chief Abel Bosum has been with us from the beginning there. He has lived with it. It is amazing. They took people from eight or nine scattered communities who were living in shacks. They met in a little house on a hill. They would come over in the evening and meet with the architect with suggestions. They were not just looking at plans. It was a living thing. They named each street after their traplines. If we could duplicate that in the 605 First Nations across Canada, problems would be solved.

I want to tell the House what Billy Diamond had to do when the Grand Council of Crees was started in 1974. Billy Diamond gave his health and his family. This is what he said on June 28, 1971: "This is our land. No one has obtained surrender from us. We never lost it in war. We never lost it in battle. We never signed a treaty. No one has taken it. And we are not allowed by the Creator to let anyone take it from us". That is the way we started. They have only had three leaders: Billy Diamond, Ted Moses, Matthew Coon–Come.

With the Government of Quebec and the Government of Canada working together we can put things together, not divide things or separate things. We can come up with the Ouje–Bougoumous. That is what we have today. It is easy to divide. It is hard to keep people together.

In the area of policing, the department of the solicitor general signed a tripartite agreement on public security for all Cree communities. This illustrates a common goal for the Crees to govern themselves by assuming administration, management, and supervision of its own police force.

We are also encouraged to see considerable progress made on reaching an agreement to establish a Nunavik assembly of government. Although primarily a negotiation between Inuit and Quebec, Canada has been invited by both parties to have representation at these negotiations and we have provided the Nunavik constitutional committee with funding for these landmark negotiations.

Canada has other involvement with aboriginal groups in northern Quebec. We organized and participated with Makavik Corporation in the Inuit forum, a meeting held on a regular basis to examine progress and co–ordinate the application of the implementation of the JBNQA in terms of federal obligations. Canada signed the JBNQA implementation agreement with the Inuit in 1990, which provides for an amount of $22.1 million and various other commitments.

The Naskapis are also being innovative in developing partnerships. We recently signed a five–year agreement on housing and infrastructure and are discussing in concert with other federal departments an employment creation strategy.

Ninety per cent of the time I am in the field with the aboriginal people of Quebec they do not talk about self–government or about the referendum or about separation. They talk about education, infrastructure, water systems, housing, and their aspirations. This is what they talk about.

• (1255)

We talk about separation here. The intellectual dilettantes are always talking about separation. The native people are talking about things that are important to them and their kids: food on the table, jobs, security. These are the things we were elected for. We were elected on jobs, fiscal responsibility, getting on into the future and that is why we are staying on that agenda.

Following our 1990 implementation agreement with the Naskapi, I am pleased to hear Quebec is engaged in discussions and looks forward to resolving various issues related to the implementation of the northeastern Quebec implementation agreement.

Federal initiatives are not limited to northern Quebec. As I said earlier, the aboriginal people are throughout Quebec. For example, comprehensive land claims with the 12 Attikamek and Montagnais communities are of enormous importance to all of northeastern Quebec. I look forward to renewed and rejuvenated negotiations that will lead to a fair and equitable resolution of their outstanding and complex land claims.

It was odd, when I heard the Bloc speak today there was no mention of the fact that David Cliche, whom I like, although we disagree philosophically—he is a separatist and I am a federalist—went to the Attikamek and Montagnais and offered $400 million. That is not ancient history; that was a few months ago. Nothing was said about this, but he presupposed that $300 million of that was federal money. While Quebec was taking all the bows—I see the Bloc member smiling, but that is correct—and David Cliche was taking all the bows and Premier Parizeau was in the glow of this, $300 million of the $400 million was our money.

I remember one Bloc member standing up saying "I am here to defend the taxpayers of Canada", which is what they were elected for. They are not here to separate the country—they have said that themselves; they are here to do their jobs. I do not remember one Bloc member ever standing up and saying maybe we have too much money in there. I think this is the first time it has even been mentioned that $300 million of that $400 million came from the federal coffers. Luckily, in a way, the agreement was rejected.

There are also important developments involving the Huron–Wendat First Nation right next to Quebec City. This is interesting about the Huron. At one time the Huron were the largest of the six nations and a profound part of our history. Through disease, war and what we have done, they now have only one reserve, which is near Quebec City at Loretteville. It is very sad when this happens. We read so much about the Huron in the books. There are a few in the United States, but only one reserve in Canada.

I met with Chief Max Gros–Louis in November 1994. An understanding has been reached among the federal, provincial and Huron–Wendat negotiators to recommend the framework agreement for very important negotiations of the application of the Murray Treaty.

I have several pages on the Mohawk, who we hear about every day. I will skip over that, because my time is getting short. I will mention that it is working. The Mohawk round table is not the end–all, but it works. We are now talking to the Mohawk. Judge Réjean Paul is there and Michel Robert is there. It works. This government came in, and there are no more Okas. We talked and negotiated and dealt fairly with the Mohawks of Canada.

We are working with the Inuit, the Cree, the Naskapi, the Montagnais, the Algonquin, the Attikamek, the Huron, the Malecites, the Micmacs and the Mohawks in Quebec. I cannot remember a time ever in the history of the country when any government could say there was movement with all of these people. That is what is important, not the fact that the Bloc comes here today on behalf of the Government of Quebec and tells us there is money owing.

• (1300)

It is important for us to work together when it comes to aboriginal people. We can do a good job. As things are going now, this country is not going to separate so we had better start talking about the future. We had better not have such deep wounds that we cannot heal them. That could happen even here. We could create such deep wounds that we could never heal them. We have to decide what is important to us collectively.

The Bloc member for Saint–Jean is out there in the field. He is probably one of the more knowledgeable, maybe the most knowledgeable person in opposition on what is out there with the aboriginal people. He brings the concerns of food mail to this House. He brings the concerns of aboriginal people across this country. He made one mistake by going door to door in a Mohawk village and almost got kidnapped by the Mohawks because they did not understand he was a member of Parliament, but these things come and go.

We have to establish what is important to us and what our values are as people. If we do that, this country will survive and we will do a good job for the aboriginal people.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I took the liberty of jotting down a few points while the minister was speaking. I must say he has given us an extraordinary lesson on aboriginal culture, and so we have not really completely wasted our time, since, let there be no doubt, we have a lot to learn from this culture.

You see, our purpose today was not to talk about aboriginal culture, which has its merits, but to talk about the money the federal government owes the Government of Quebec. It is just money, nothing important. It is just money after all. It does create a few minor problems, however. It is easy enough to say: there was a crisis at Oka, which is in Quebec, so it is not a big deal; Quebec can pay the costs or take the matter to court. Whose responsibility was it to deal with the native people? The federal government's. Now if I have properly understood the minister, given that the native culture has so many fine qualities, if the native people got angry at some point, it was because the federal government had not done its job. If it did not do its job, it has to assume the consequences.

So you see the matter is a simple one. The minister says that federal money would be used to reimburse the Government of Quebec for what it paid out. Yes, but, there is a problem here. There is a fundamental error in logic. It is not federal money, it is taxpayers' money. While the Liberal government may have red on its banner, it is not wearing a Santa Claus suit. It does not print money. It gets its money out of the taxpayers' pockets. Try asking the Minister of Revenue to wait two or three or four years for his tax money, try saying to him: "We will go to court, and it will get settled that way". It could create a few problems for any taxpayer foolish enough to try.

No, it is not federal government money, it is taxpayers' money. The shoe starts to pinch when Quebec taxpayers have to pay twice—once when they pay their federal share and once when they pay the provincial government. Who is supposed to pay the costs the federal government is responsible for? Good heavens, the logic is simple. It is the logic of integrity. It is the logic of honesty. It is the logic of "I paid out money for you under an agreement, I sent you the bill for it, you agreed to pay it—well, pay it then". What was the answer to this? It was: "See you in court. We want all the details on these invoices". Well, good heavens—I certainly could not talk about good faith here.

I would be tempted to suggest to the Quebec Minister of Revenue that he set aside from the GST money he collects an amount equal to what the federal government is refusing to pay, in the form of a guarantee. Once the federal government pays its bill, the Minister of Revenue will release the money. If this is the sort of language we have to use, then this is the way we will have to put it: $300 million out of $400 million.

• (1305)

The minister says: "Mr. Cliche, in Quebec, has offered aboriginals $400 million". He forgot to say that $300 million came from the federal government, in fact not from the federal government but rather from the taxpayers. If the federal government is so broke that it has to squeeze tax dollars out of taxpayers and cannot afford to hand over that money to Quebec, then it should separate from Quebec. Quebec then would be able to pay $300 million out of those $400 million since it would save a tidy sum of $30 billion.

The minister was very nice in his speech, very kind. Unfortunately, he did not address the motion before the House. To conclude, I have this question for the minister. In his speech, the minister said right from the start that they were going to vote against the Bloc's motion. Could he tell us therefore what we are doing in this place all day long? Is it an exercise in futility? Those people say from the outset that they are not going to listen, that they are going to vote against the motion. Are we wasting our time? No, we are not wasting our time because those who are watching us on television will know the truth and have a very good reason to resolve the issue this fall by voting in favour of Quebec's sovereignty and making Quebec a winner.

[*English*]

Mr. Irwin: Madam Speaker, I want to remind the hon. member that we spend $351 million a year in the Quebec region for aboriginal people. We spent $980 million on the Crees, $552 million on the Inuit and $69 million on the Naskapi, for a total of $1.6 billion.

[*Translation*]

We already gave Quebec $450 million for education.

[*English*]

Maybe I should not bother to mention it but $450 million of our money went to Quebec on education.

The Minister of Intergovernmental Affairs has expressed the problem we have. Quebec is saying that the Government of Canada owes 50 per cent but we have no say on the amount of money spent. We have no say vis–à–vis education with the province of Quebec. It will call the shots. That is not partnership. That is: "I am doing it. I will send you the bill and you pay it".

At the same time, I wrote to Madam Beaudoin in April saying that I would put my senior officials at the table to see if there is common ground. We will count the various moneys owing to see if we can find a just solution. The Minister of Intergovernmental Affairs has done the same thing but he has gone further and has met with her. We are trying to do this in a practical manner.

I tend to agree with the Reform Party on one point. There are a lot of games being played here today. The issue is not what is owing to Quebec, the issue is separation. No matter which way we cut it, this is it.

The problem I am having is that the onus is not on this government to prove why separation is better. The Bloc is having a difficult time with it. It is having a difficult time explaining to Quebecers how they will be more sovereign if Quebec separates.

The reality is that with GATT, with NAFTA, with what we are doing with aboriginal people and within the cultural community, there is more sovereignty for Quebecers under federalism. There is more. They are starting to realize that. The Bloc is failing in its argument. It is up to its members to put their argument and convince Quebecers, not us.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, the minister just said that they gave $450 million towards the education of native people in Quebec. They have already used this argument three or four times on the government side. But if the bill comes to $600 million, it must be paid in full.

When I bought a car, and was told by the salesman that it came to $30,000, I did not stop paying at $20,000, saying that it would have to suffice, that it was too much. I had to pay the whole amount, and live up to my commitment.

Earlier, the Minister of Intergovernmental Affairs talked about the principles of fairness and good management; he really laid it on thick. But last year, around the same time, when we asked for a royal commission on the Pearson deal, for the sake of good management and good administration of public funds, we were told that it was not possible because time was of the essence. The whole matter had to be settled quickly for the economy to keep going, and the country to function.

• (1310)

One year later, what is the situation, Madam Speaker? We are not too sure. Bill C–22 is in limbo, floating around somewhere. What was supposed to cost $25 million, according to the transport minister himself, has now sky–rocketed to $450 million. Why is it that today, when Quebec and Quebecers are asking for what they are owed, all of a sudden the government invokes these same principles it refused to apply to the Pearson deal, even though a Liberal inquiry recommended legal action?

I would like someone to explain this to me. How could the minister change that much within a year to the point of being unrecognizable?

[*English*]

Mr. Irwin: Madam Speaker, in the James Bay and Northern Quebec Agreement there are shared costs for instance for infrastructure, water, sewers and so on which we have paid. We are doing the accounts on that. It would be as inappropriate for us to send the bill to Quebec saying to pay it without question as I think it is inappropriate for Mrs. Beaudoin to say: "Here is the bill. Don't let a senior civil servant field it. The Minister of Intergovernmental Affairs and I will deal with it. We will just cut a political decision".

I do not think, when we are dealing with large sums of money, that we can do these things that way. There has to be proper accounting. Senior civil servants who have the expertise have to sit down and do the accounting. That is all this is, an accounting. We accept that. What we do not accept is the Bloc using it as a political ploy which it is. We accept it as accounting within our normal relationship with Quebec, or any province in Canada from B.C. to Newfoundland.

[*Translation*]

Mr. Claude Bachand (Saint–Jean, BQ): Madam Speaker, as critic for indian affairs, I will speak mostly about two of the claims that are before us today. I could have chosen to get directly to the point, but I thought it would be useful to look at what Quebecers could do with $300 million, since this is approximately the amount of the claim submitted to the federal government which is now being discussed in the House.

There are quite a number of things Quebecers could do with $300 million. The first one that comes to mind is probably, as Minister Paillé said, an investment fund with a greater accent on venture capital, that would give young entrepreneurs with creative ideas the opportunity to go into business. We could create 50,000 to 100,000 jobs with such a fund of $300 million.

There is chronic unemployment in Quebec. The unemployment rate has always been higher in Quebec than in the rest of Canada, because of decisions made here, in this House, where we often choose to establish heavy industries and other important job creating activities outside Quebec. We are stuck with an unemployment insurance fund and we are being told: "You are lucky because we give you more money than you give us. We return more money to you in unemployment insurance, social assistance, and education transfers". Listen, you do not build a society with unemployed persons and welfare recipients. These people are hard pressed right now, and we have to put them back to work.

I think it is appropriate that we should question the government today, that we should introduce a motion which says: "Listen, ladies and gentlemen, pay your bills. You owe us $300 million".

I will now move on to the Oka question. Originally, the bill was for $84 million, but the Liberal government finally paid $5.3 million in 1992. At that time, the government looked at our claim and said: "We are paying $5.3 million, but the remainder is not eligible". Why is it not eligible? There is practically no reason. I remind you that, at the time, the Quebec government was Liberal and federalist. The man in charge was our former Minister of Social Security, the ineffable Mr. Ryan, that everybody knows and who tangoed with the federal government.

• (1315)

He danced the tango in step. Mr. Ryan kept complaining, and the federal government kept sending him letters saying: "You are exaggerating, we will not pay that much, we will give you $5.3 million, but as for the rest, the $79 million, forget it."

Mr. Ryan kept dancing with the federal government, he kept exchanging letters with the federal government, and he kept wringing his hands in the federal government's headquarters here in Ottawa. He kept writing to ministers tearful speeches, saying you must resolve this for us.

However, we never saw him demanding publicly the federal government to pay the bill now, as the current Quebec government is now doing after so much pussyfooting. We know the federalist mind of Mr. Ryan, as I said, the ineffable Quebec's Minister of Public Security at the time, and we understand that he was content to dance the tango privately with the federal government and never dared to do it publicly. So, we are doing it today.

Why do the expenses not qualify? We do not know, except that, with the Parti Quebecois' arrival in power in 1994, as early as December 1994, the then minister of public security was asking his counterpart for the reimbursement. What happened then is exactly what the minister wants to take us into today. "We will do it with the auditors and the high officials. I suggest that we meet".

For five years, it has been only meetings. For five years, we have been told that officials would get together to try and resolve the issue, that the auditor general would also be asked what would qualify and what could be paid.

It was a disaster that happened in Quebec in 1990, a disaster that had an effect not only in Quebec and in Canada, but also internationally. Several courts, several international fora dealt with the Oka events. I think that Quebec qualified under agreements signed between the federal and provincial governments and providing for such a disaster.

Was it a disaster? I think that I could talk about it for hours, because I certainly experienced the events, I saw them, I saw the federal government's negligence in the Oka crisis. From our point of view there definitely was a major crisis in Oka affecting not only native people but Quebecers also.

It has become obvious that in the beautiful region of Oka located near the Deux–Montagnes lake, where I go on a regular basis, the tourist industry has been completely wiped out. That region has become a desert from a tourism point of view. No one goes to Oka any more. There are still events in Oka which prove the carelessness of this government which sits around idly and waits for things to take a turn for the worse. What is happening during that time? The economy of the area and surrounding areas is in bad shape, as a result.

Some officers of the Sureté du Québec had to spend weeks in Oka at that time, far from their families. Who is paying the bill? The government of Quebec is paying the bill, at present. As I said earlier, there are agreements where in case of a disaster there has to be some sort of sharing. In this case, Quebec is the only one to pay the bill, except a paltry $5.3 million.

This government is still showing carelessness today. Just a week ago a good friend of the Liberals, Michel Robert, was appointed to the Quebec Court of Appeal. This man is a close friend of the Liberals, the red lawyer par excellence, a man who was on all strategic committees of this House, including the Security Intelligence Review Committee.

That man played a key role in the Kanesatake negotiation. I talk about carelessness because I also know the native people's philosophy. According to their philosophy, you cannot suddenly say that you want to negotiate, to set a timeframe and solve everything in three days. This is not the way things work with them. You need time to gain their confidence. I must say however that Mr. Robert is a very good and very competent negotiator.

• (1320)

However, after only seven or eight months, as we were beginning to see the light at the end of the tunnel, this government appointed Mr. Robert to the Court of Appeal and there we are, back to square one. What I am saying now is that the federal government is controlling the pressure in Oka, as he did in 1990. It raises or lowers the pressure depending on the political context. Today, we are claiming $79 million, knowing that this government has not done anything since 1990 to settle the problem in Oka. In this context, I think the claim is legitimate. As I said, it is another example of the carelessness of this government.

What were we supposed to do in Oka? The major part of this claim relates certainly to the presence of police officers there. What evidence is needed to convince the government? Maybe a videotape would do? They are quite in fashion. As was shown recently, the government opposite only reacted when they saw videotapes.

I recall events in Oka when the Sûreté du Québec was systematically sandwiched between aboriginal people and their opponents. I saw police officers torn to pieces. I saw on video some of them, accompanied by friends, being carried out on stretchers, because they had tried to separate two camps which were trying to cut each other's throat, so to speak.

Now we are told: "You take care of that yourselves. Public security is Quebec's responsibility." We do not worry about the fact that we are the trustees of aboriginal people, that we pay them and that we give a certain amount to the Oka band council every year. We simply continue to pay. You, however, will continue to pay the bills when things go sour, and also when we decide that things are taking a turn for the worse.

I think that Quebec's $79 million claim for these expenses is quite legitimate. And I think that the Quebec government did the right thing during that crisis by putting the Quebec provincial police between the two factions that wanted to have a go at each other.

They always fall back on the argument that things will be monitored by the auditor general, that senior officials will sit down together and keep an eye on things. I think that the problem is on the federal side. We should appoint an auditor

general who is above everyone and can check on the conduct of this department, which not only increases or eases the pressure as needed, but also perpetuates through dilatory tactics the financial confrontation between Quebec and Canada. That is the problem. The federal side does not want to settle the problem.

Whenever we present them with a bill, it is quite normal for them to tell us, "Let us sit down together and look at this with our officials". What Ms. Beaudoin wanted was a political settlement. She wanted to meet with the Minister of Intergovernmental Affairs and settle this bill once and for all. However, the minister's solution is, as always, to perpetuate the problem. He says that the matter will be considered, that his senior officials, his faithful servants, will meet with us, but he refuses to settle the problem. The federal government will not settle the problem. So we are always caught in an ongoing financial confrontation with the government, and this confrontation may go on if a motion like this one is not adopted. Today's motion has launched a broad debate in which we are trying to convince the people opposite that they must pay their bills and settle their accounts.

I now move on to James Bay. We know about their open mindedness. The minister gave us a very good presentation on what is happening in Quebec in terms of culture. I could give a presentation, but I would rather answer the questions of Quebecers waiting for $300 million from the federal government. I could talk about the Naskapi, the Cree, the Inuit for hours, but that is not the subject of today's debate.

Neither is the fact that we always have to wait for money—taxpayers' money, of course, as my colleague pointed out earlier—from the federal government. We cannot say that the federal government does not give any money. It must give some. Because they are the trustees of Canada's aboriginal people, they must provide these people with a minimum standard of living. I do not deny that the federal government has given money for that purpose. So has the Quebec government.

• (1325)

Let me quote statistics showing that, as far as education is concerned, the Quebec government did not rely on the federal government. Otherwise, I think the James Bay Cree would have been in a really bad position.

How does it work up there? There are three school boards; the Cree, the Inuit and the Naskapi each have their own. Costs sharing was on the basis of a gentleman's agreement.

Here is how costs were shared at the time. I have the table before me. I read that, for the Cree–Naskapi, the Quebec government was to pay 25 per cent of the costs involved, and the federal government, 75 per cent. For the Inuit, the percentages were reversed, with the Quebec government paying 75 per cent, and the federal government, 25 per cent. We, in Quebec, care about native education. I cannot give you the exact figures, only the conclusions drawn from these statistics.

In terms of language retention, the Cree, Inuit and Naskapi do better on average than natives in the rest of Canada. By language, I do not mean French or English, but their native tongue, which is Cree. Their language retention rate is clearly higher than in the rest of Canada and we have Quebec and the James Bay agreement to thank for that, for this agreement is a model in Canada and several aboriginal nations used it as a basis for negotiating with the federal government. I might add that the federal government often refers to this agreement because, as I said, it is a model.

Enrolment rates are also higher than for other native groups in Canada. As for health, because they are more educated—this is an important consideration—aboriginal people have an infant mortality rate lower than the Canadian average. The life expectancy in these three groups is higher than in the rest of the native community in Canada. We can say that as far as the Cree, the Inuit and the Naskapi are concerned, the Government of Quebec has taken its responsibilities.

The government never accepted to sign the agreement—it is a gentleman's agreement—and things went well until 1987. Starting in 1987, the basis of calculation changed drastically. Indexation was introduced, but without taking into account the birth rate, which, incidentally, is twice that found in the rest of Canada. Aboriginal peoples are currently a very strong drain on the budget. The problem is easy to understand. The aboriginal population is growing twice as fast as that of the rest of Canada.

With regard to adult education, it was found that a whole generation—and that is true everywhere in Canada—of aboriginal children were removed from their families and taken far away, in an attempt to make them forget their culture and their language. A whole generation, the one which preceded us, of aboriginals completely missed the boat in terms of their culture, their language, their recognition as a people and, of course, their education.

There is some catching up to do regarding adult education in Quebec's far north, and these people are working on that. There is also an increased demand for services such as daycare, etc. Aboriginal people in the far north have access to the latest technology and knowledge, which allows them to have very adequate education conditions, compared to the rest of Canada.

What is the federal government's reaction? It says that it will pay back, but based on an indexation criteria, instead of complying with the terms of the convention in effect at the time. This government does not intend to pay its share in the current year.

The finance minister's budget does not allocate any money to repay the federal government's share under the James Bay agreements. Earlier, the minister said that the government gave $450 million. I want to correct him. He made a small mistake. The amount is in fact $465 million. The government gave more than the minister said it did. The problem is that if the original

agreements had been respected, the federal government would have had to pay $584 million. This shortfall of $119 million is what we are claiming today.

I would like to quote another minister of the Quebec Liberal government of the time, who is now the Minister of Labour in this government.

• (1330)

With three minutes left, I have just enough time to explain what the education minister of the Quebec Liberal government was doing back then. She too was waltzing with the federal government. She took over from Claude Ryan, her colleague responsible for public security, and sent her deputy ministers to Ottawa with this message: "Listen, this does not make any sense in the education sector. You have to pay us back". A number of meetings were held but, of course, the federal government did nothing.

My conclusion is what could Quebec do? What could the Quebec government do, given the federal government's negligence and inertia? Should we follow the example of the Blood Indians and the Blackfoot nation I visited in Central Canada and tell young aboriginals: "Sorry, we do not have the money this year, so you will not be sent to school". We did not do that. Even if the federal government is not paying its share, Quebecers have decided to support the rights of native peoples in Quebec, and young aboriginals are going to school.

Lack of funds will not prevent a single child in northern Quebec from going to school. The Quebec government has decided to take on this responsibility. What were we supposed to do in Oka? Withdraw all police forces and let people fight? We had a ethical vision of our responsibilities, and the Quebec provincial police assumed a commendable attitude throughout the crisis, trying to prevent such fighting. Having said that, I would ask the federal government to abide by this gentlemen's agreement. Up to now, this side of the House has behaved in a gentlemanly way. I hope members opposite with the same mindset will keep their promise and pay what they owe to Quebecers.

Mr. Martin Cauchon (Outremont, Lib.): Madam Speaker, I want to thank you for giving me a few minutes to reply and maybe put a question to the member opposite. While listening not only to that member of the official opposition but to all the members of the official opposition today, I kept wondering if we were living in the same world. I must tell you that, sometimes, I think I am dreaming.

Today, these people are really speaking against Quebec's interests. They claim they want to protect the interests of the province of Quebec, but in fact they are trying to fool the people in Quebec, who are mature enough not to fall into the totally partisan trap the Bloc Quebecois has set.

The official opposition is asking the federal government to act irresponsibly, but this could have serious consequences at the political level. As the Minister of Intergovernmental Affairs said clearly this morning in the House, he has to manage the public funds, a good part of which comes from Quebec taxpayers. As a Quebecer, I am entitled to expect governments to efficiently manage public funds and also to maximize their benefits and manage them in the best interests of the population.

This is exactly what the Minister of Intergovernmental Affairs is doing. He oversees the sound and responsible management of the public funds in the best interests of the Canadian population and also, needless to say, in the best interests of the people of Quebec. The minister told us this morning that he did everything he could. He helped Quebec as much as he could by providing advance funds. Basically what I would like to ask the member of the official opposition is this: From what I understand in the motion before the House, would he rather see the federal government act irresponsibly and foolishly and waste the taxpayers' money? I do not think that would be in the best interests of the province of Quebec.

• (1335)

When we look a little more closely at this motion tabled by the Bloc Quebecois, we find once again, and it could not be any clearer, that the members of this party are not defending the interests of the people of Quebec in general, but that they are—and I will have the opportunity to come back to this later today—putting forward their own agenda, which is the separation of Quebec.

I believe that the situation or the problem is clear: we have a responsible government versus people whose aim is complete negligence. When we look at the situation, and I am a Quebecer, the answer is clear. It is obvious that I support the Minister of Intergovernmental Affairs whose aim is, first and foremost, sound management of the taxpayers' money.

Mr. Bachand: Madam Speaker, my colleague for Outremont is probably dreaming. He said so himself. I think it is just wishful thinking. As for us, we are having a nightmare listening to such remarks from a member who comes from Quebec. I would ask him to go back to his riding and ask his constituents, who also pay taxes to the federal government, if they agree that these services should be paid for by the Quebec government alone.

Can his constituents and mine say that they will give Ottawa $300 million less to pay this bill? The present system does not allow it. Therefore, it is Quebec which must pay and which comes up short. I find it sad that a member from Quebec would make such remarks.

The Minister of Intergovernmental Affairs is really acting in the public interest. I think he is acting in Ottawa's interest and that, as a member from Quebec, he is forgetting that, when the people of a province pay taxes to the federal government, they are entitled to certain services in return. That is what today's debate is all about.

We claim, with good reason, that Quebec was willing to honour this gentlemen's agreement but that the federal government has not honoured it. It owes Quebec $300 million and it must pay its bills. That is what it must do in the public interest. It has been five years in one instance and eight years in the other that all audits have been completed. Now the time has come to pay, and we are asking the federal government to do so.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, today's debate covers a broad range of federal government activities, and this interjection shows how desperately the Bloc Quebecois is trying to bolster support for the scenario rejected by a majority of the citizens of Quebec.

The Bloc is obviously hoping to discredit the federal government, but to no avail, for we are seeing a boomerang effect here again today. In fact, this debate provides an opportunity to appreciate the extent of the federal government's prerogatives and responsibilities.

One of these responsibilities is addressed through the fiscal stabilization program created under the federal–provincial fiscal arrangements and Federal Post–secondary Education and Health Contributions Act. The purpose of the stabilization program is to provide protection to provinces in the event of extreme downturns in economic activity.

More specifically, provinces faced with a year–over–year decline in revenues due to a downturn in the economy, such as the last recession, have access to financial assistance, subject to specific rules set out in the act.

[*English*]

The compensation authorized by the stabilization legislation is based on the province's year over year absolute decline in a province's eligible revenues subject to three constraints. First, changes made by the province in the rate or in the structure of its provincial taxes must be factored out when measuring revenue declines. The program compensates for revenue declines due to business cycles and not for declines due to provincial decisions to reduce taxes arbitrarily.

• (1340)

Second, declines in resource revenues are subject to stabilization only if and to the extent that the annual decline exceeds 50 per cent. Third, since 1987–1988 the maximum grant payable to a province is limited to $60 per provincial resident. Assistance above that limit is at the discretion of the Minister of Finance and would take the form of an interest free loan. The litmus test in assessing eligibility to the stabilization program is whether there is or was a drop in revenues due to general economic conditions.

The stabilization legislation and regulations provide very detailed rules about how to measure provincial revenues and how to adjust for changes in taxation. It is these very same rules that were applied consistently in dealing with all provincial applications as the act requires us so to do.

Stabilization is a program for exceptionally hard times, which explains why only three provinces have received federal stabilization payments up to 1990. British Columbia received $174 million for the fiscal year 1982–83; Alberta, $419 million for fiscal year 1986–87; and Ontario received $227 million for 1990–91.

In order to be considered for stabilization payments, a province must make a claim to the federal Minister of Finance not later than 18 months after the end of the year to which the claim should be applied.

[*Translation*]

Last December 7, the Minister of Finance, Paul Martin, announced payments totalling $782.4 million in response to applications from the provinces under the stabilization program, including $418 million for fiscal year 1991–92.

These were final payments for 1991–92 in the case of seven applications, and interim payments for 1992–93 in the case of five applications.

Despite all the insidious and unfounded insinuations of the Bloc Quebecois, these applications were processed according to the letter and the intent of the fiscal stabilization program legislation. All provinces were put on the same footing.

The Bloc Quebecois has implied that the federal government used delaying tactics in settling Quebec's claims.

I urge the hon. member who moved the motion before the House today to ask his own leader about the meaning of the term "delaying", since he is an expert on the subject.

[*English*]

With regard to the 1991–92 fiscal year, the Minister of Finance made final payments to five provinces: Newfoundland, $3.1 million; Nova Scotia, $55 million; Prince Edward Island, $5 million; Ontario, $284.4 million; and Manitoba, $42.9 million.

The claims made by two additional provinces, Saskatchewan and Quebec, were found not valid under this rule set out in the act.

[*Translation*]

Quebec's application for 1991–92 was not approved because there had been no decline in revenue due to the business cycle, which meant that according to the regulations, there could be no compensation. That is all.

There was no question of unfair treatment, political intrigue or partisanship.

The Minister of Finance also has the authority under the legislation to make interim payments to a province where applications are supported by currently available data.

For instance, on December 7, 1994, the finance minister announced that interim payments be made to five provinces based on fiscal year 1992–93, which included $125 million for Quebec. In this case Quebec's application was valid, and the federal government paid.

• (1345)

I dare the Bloc Quebecois to make the same fuss about the payment made to the Government of Quebec for 1992–93 that it made to discredit the federal government concerning payments for the fiscal year 1991–92.

In concluding, decisions by the Minister of Finance on all provincial applications for stabilization are made in accordance with the legislation and regulations. Furthermore, they treat all provinces in a manner that is consistent and fair. These decisions are final.

The stabilization legislation does not provide for arbitration mechanisms. If Quebec wants to challenge the legality of the federal decision, it has one recourse: to appeal before the courts.

Those who call this courtroom federalism do not know what they are talking about. This year, the Government of Canada will pay about $11.7 billion in federal transfer payments to the Province of Quebec. That is what I call constructive and positive federalism.

I will vote against the motion of the Bloc Quebecois because it denies the facts and adds absolutely nothing constructive to this debate.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, we are speaking today on the opposition motion of the member for Mégantic—Compton—Stanstead regarding Quebec's financial demands. This should not be the greatest surprise we in the House have ever had when speaking to a Bloc supply motion on Quebec's financial demands, especially for those of us who come from Alberta, British Columbia or Ontario who have been well versed in Quebec's financial demands for quite some time.

The motion we are debating is at the core of discussions concerning why the Bloc is in Parliament in the first place. It is a sad situation. The vast majority of Canadians look to Canada as a home and a federation of 10 provinces because we are Canadians. We do not boil the reasons for being Canadian down to the bottom line on a balance sheet asking what is in it for us.

Many times when members of Parliament are debating in committee the Bloc Quebecois—in fairness it is doing exactly what it said it would do—is thinking solely about any policy or law as it directly relates to Quebec. The question for them is always how to protect what we have already while at the same time perhaps getting a little more, wanting complete independence but ensuring we get all the support we have had in the past and what we may want in the future.

• (1350)

To be spending a day of debate in the House on this motion is not a major surprise. The Reform Party came to Parliament with basically one overriding priority, to put the financial affairs of the nation right. The overriding priority of many people who supported the Reform Party and I am sure the government and the Bloc as well was to get our financial affairs in order.

That should still be the number one priority of Parliament. It must be the number one overriding priority of our colleagues from the Bloc.

When I say financial affairs I mean everyone in Canada including in Quebec. Unless we get our financial affairs in order what will we be left with? What is the point of having an independent bankrupt Quebec? There is absolutely no point in it. The whole notion of splitting the country and expecting the haves to have the same critical mass and to be as successful as we are as a combined unit is crazy.

There are areas which would benefit right off the bat, for instance those parts which have through equalization payments been pouring billions of dollars eastward, much of which found a home in Quebec for many years. We are not talking about sovereignty association, we are not talking about splitting up the marriage but retaining bedroom privileges. We are talking about a new house, a new street, the whole shebang. Would the people of Quebec think for one minute that equalization payments or transfer payments from the rest of the country would continue to flow into Quebec? Of course not.

Conversely, all the benefits Quebec brings to the country would also be denied the rest of the country. That is how we would be hurt dramatically by this notion of our colleagues and friends from the Bloc who would want to take Quebec out of Canada.

I have been talking about the financial implications because it is the gist of the Bloc's motion, the financial implications of Quebec in Canada. The bias of the motion, the bias of the Bloc is it wants to make darn sure it will get more out of it and not lose anything even if it splits.

If we go beyond the bottom line on the balance sheet and talk about what will happen to the country if Quebec takes a hike, the costs will be far more than financial. It will cost us a tonne in terms of our own sense of self–worth. It will cost us dramatically in terms of what it means and what it is to be a Canadian, the culture we share together. That we have been able to nurture in an island the French fact in North America in a sea of almost 300 million people, that we have a vibrant, strong, successful, exciting Quebec and French culture here in our midst would be lost.

A separate Quebec would find itself very quickly becoming far more worldly in its outlook and far more accommodating to speak the language of whomever would come in to spend money.

• (1355)

Since I have been living part time in Ottawa I have, as often as possible, taken the occasion to vacation and spend weekends in Quebec, particularly in Montreal. I have come to cherish the time I spend there. A couple of weekends ago one of my sons visited from Vancouver. I am trying to persuade him to go to university in Montreal. I want him to have a sense of what our country is all about. Quebec and the French fact and the Quebecois are so vitally a part of our collectivity as a nation I feel if he did not partake in that he would be losing something in his life.

He lives in Vancouver. We went to Montreal and he had some trepidation because although he has taken French in school for about nine years he cannot speak a word of French. If we do not use it we cannot learn it. He wondered how he would be received as an English speaking Canadian. He is 17 and he was a little nervous about it. Every experience he has had and I have had has been one of complete comfort. People bend over backwards to be accommodating, kind and generous.

That weekend in Quebec turned his mind around. I wonder how many unilingual French speaking people in Quebec who have travelled to other parts of Canada have been treated with the same compassion, understanding, care and politeness. I wonder if we could get more people to look beyond the balance sheet of what it is to be a Canadian and to look at the value of what English Canada and Quebec bring to this united body.

I ask Bloc members to consider what I have said as this great debate unfolds.

[*Translation*]

The Speaker: The hon. member for Edmonton Southwest will have the floor when we resume consideration of the business of supply following question period.

[*English*]

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

GM RETIREES

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, it is my pleasure to welcome to Ottawa several GM retirees and their spouses. They have come from Niagara to visit the House of Commons and the Canadian Museum of Civilization in Hull and to enjoy the hospitality of our nation's capital.

My former colleagues and friends, some of whom are veterans, have come to join in the celebration of the 50th anniversary of the end of the second world war and to enjoy the magnificent tulip festival.

Today I pay tribute to the GM retirees and their spouses and wish them all the best during their visit here in Ottawa.

* * *

[*Translation*]

QUEBEC WOMEN'S MARCH

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, on May 26, women of Quebec will go on a long march, which will end up in Quebec City. Hundreds of women from every community and every region of Quebec will gather to repeat the action taken by American women factory workers at the turn of the century.

Their slogan was: Bread and roses. The women of Quebec will use the same slogan this year. The bread represents the need to work and the roses, quality of life. The women will remind the people of Quebec of these two essentials.

To help them achieve financial equity, women are demanding a social infrastructure program, jobs, social housing and real access to programs providing general training and job training.

The Bloc Quebecois congratulates the women of Quebec on their initiative and wishes them a successful march.

* * *

[*English*]

JUSTICE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, the justice minister has been stonewalling Patrick Kelly's application to review his case for a year and a half.

Kelly, a former RCMP officer, is in jail for allegedly killing his wife but now the key witness admits that she lied on the stand. The review of Kelly's case has dragged on and now the justice minister wants Kelly's lawyer, Clayton Ruby, to sign a gag order before documents key to Kelly's case will be released.

The justice minister said:

> We will disclose all of those records that are relevant to the issues raised in the application and that will be done.

Now the minister is placing roadblocks in front of Kelly's lawyer.

Why the secrecy? The information being withheld from Mr. Kelly was collected at public expense by a public agency for use in a public prosecution. What are the Liberals trying to hide and what is in the documents that the Liberals are afraid of?

Why is there no justice in Mr. Kelly's case?

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CHINESE CANADIAN ASSOCIATION OF PUBLIC AFFAIRS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, it is a pleasure to welcome to Ottawa the hon. Darlene Marzari, B.C. Minister of Municipal Affairs; Mr. George Ford, her deputy minister; His Worship Greg Halsey–Brandt, mayor of Richmond and chair of the Greater Vancouver Regional District; Her Worship Beth Johnson, mayor of Delta; Hew McConnell, manager of GVRD; and 15 young ambassadors of Canada.

Every year the Chinese Canadian Association of Public Affairs sends a number of students of Chinese origin to Ottawa for a week of meetings with parliamentarians and leaders of the House parties.

[*Translation*]

Yesterday, I was pleased to have a number of young men and women visit my office. They were accompanied by the organizers. I have encouraged young Canadian students to take part regularly in the political process.

[*English*]

Let me thank the Chinese Canadian Association of Public Affairs for offering young Canadians such a great experience.

* * *

TERRORISM

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, within every cloud there is a silver lining.

Over the past few weeks we have all been exposed to the realities of terrorism. The Oklahoma City tragedy has forced us to realize that terrorism can happen even in North America.

I am happy to say that two women in my riding did not just sit back in the wake of the bombing. Janice Koekebakker and Linda Mathews, nurses in Woodstock, Ontario, spent a week in Oklahoma City providing first aid treatment and consoling rescue workers. The city of Woodstock and the Woodstock Rotary Club should also be commended for helping to offset the expenses of these fine nurses.

The London *Free Press* wrote in its recent editorial honouring these two nurses: "There are things all of us can do if we just decide to do them". These women realized that there was something they could do and they were able to provide an important service in a difficult time.

I thank these women on behalf of all of us.

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THE LATE HECTOR TOE BLAKE

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, I pay tribute to Hector Toe Blake who died yesterday in Montreal. Toe was the greatest and most successful hockey coach in the history of the National Hockey League. He was also a great leftwinger.

As a coach he won eight Stanley Cups in 13 seasons. As a player he played for 15 seasons with the Montreal Maroons and with the Canadiens. He was on three Stanley Cup teams, one with the Maroons and two with the Canadiens.

He won the scoring championship and Hart Trophy in 1938–39 and the Lady Byng Trophy in 1945–46. He was a leftwinger on the punch line with Rocket Richard and Elmer Lach, one of the most colourful and prolific scoring combinations in hockey history.

He was named to the Hall of Fame in 1966, was on the first All Star team as a player three times, on the second All Star team as a player twice, and as coach of the All Star team nine times.

Toe Blake will be missed and long remembered in Montreal. I think all Canadians will pay him tribute on this sad day.

* * *

[*Translation*]

CHECHNYA

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, since the Prime Minister's discussions with President Yeltsin, the Russian army has been relentlessly bombarding Chechen positions and is continuing to bomb civilian populations.

In an effort to have done with the Chechens once and for all, the Russian army is preparing to launch its elite corps in a final assault against Chechnya. We have a hard time understanding how the Prime Minister could say he was confident that the army had already been replaced by the regular Chechen police force, as President Yeltsin had assured him.

The Prime Minister claims he put pressure on his Russian counterpart, but he also said that his first priority was trade. Today we are seeing the results. In addition to undermining Canada's credibility, the government's double talk leads nowhere.

* * *

• (1405)

[*English*]

FOREIGN AFFAIRS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the situation in the former Yugoslavia has deteriorated to the point where it is surely time for Canada to take action which reflects the reality there.

The Prime Minister says that Canadians do not cut and run when the going gets tough. Reform supports that stance. We know that Canadian troops have proven this many times over the years in support of worthwhile causes.

Is it not time to consider the worthiness of the cause in Bosnia and Croatia? What we have there are three antagonists who show no interest whatsoever in achieving a peaceful resolution of their differences. Rather than having a positive influence, the UN has proven to be either a toothless tiger or perhaps has even become part of the problem.

Others may have larger forces there but Canada's contribution has been substantial, competent and reliable. Rather than sheep following the French and British ram, is it not time for Canada to lead by stating that unless there is immediate, unequivocal and verifiable movement toward peace the Canadian forces will commence preparations to withdraw from the region?

* * *

[*Translation*]

INTERPROVINCIAL TRADE

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, yesterday, the Canadian Chamber of Commerce and its Quebec counterpart issued a study concluding that Quebec benefits greatly from interprovincial trade. It shows that in Quebec, 470,000 jobs depend directly on interprovincial trade. Given these findings, it is disconcerting to see that the Bloc Quebecois and the PQ are still adamantly pursuing Quebec's separation, regardless of the huge economic impact such a course of action might have.

Canada is financially advantageous not only for Quebec, but also for all the other provinces. The recent signing of an interprovincial trade agreement by the ten premiers opens new opportunities for this important sector of Quebec economy. The Canadian economic union already exists and it has proven to be extremely advantageous for Quebec. There is no need to jeopardize everything for the sake of satisfying the sovereignist aspirations of the Bloc and the PQ.

* * *

[*English*]

CBEF 540

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, at 5 a.m. on May 18, 1970, francophones all over southwestern Ontario turned to 540 on their radio dials to hear: "Bonjour Windsor, bonjour Tilbury, bonjour Pointes aux Roches, bonjour Belle Riviere", the first French words on the most crowded radio band in North America.

CBEF 540 serves 50,000 francophones in Windsor, Tecumseh, Sarnia, London, Paincourt and other vibrant southwestern Ontario communities. For 25 years CBEF has provided a vital link between francophones in southwestern Ontario and francophones in the rest of Canada, indeed in the world.

The Right Hon. Paul Martin, Senior, helped along a hard working group of local francophones to make the station a reality.

[*Translation*]

I want to congratulate it on its 25th anniversary.

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[*English*]

GUN CONTROL

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, the Bloc Quebecois has finally yielded to pressures from the powerful gun lobby. Yesterday the Bloc critic on justice issues, the member of Parliament for Saint–Hubert, stated:

[*Translation*]

"Unfortunately, as soon as the topic of firearms comes up, males get excited and agitated—And since women are not the majority in the Bloc, male members put a lot of pressure on the caucus".

And yet, it should be pointed out that the Bloc Quebecois was committed to supporting the bill, as mentioned by the Bloc member for Saint–Hubert, on May 6, and I quote: "It is a good bill which provides for the registration and control of firearms". Women in Quebec will be very disappointed to learn that the Bloc does not take into account their views which are overwhelmingly in favour of Bill C–68.

* * *

WINNIPEG JETS

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, the federal government is doing an about–face in the issue of the building of a new sport arena in Winnipeg. Two weeks ago, Ottawa did not have any money to help the Jets. Suddenly, the Minister of Human Resources Development seems to have discovered plenty of it in several federal programs.

There is no doubt that the pretext of the infrastructure program is simply a smoke–screen for an inescapable reality: Ottawa is about to give several millions of dollars of taxpayers' money to the Winnipeg Jets, and never thought about lifting one finger to help the Quebec Nordiques. There has never been such double standard before. It is obvious that the only thing flexible about Canadian federalism is fairness.

* * *

• (1410)

[*English*]

HUMAN RIGHTS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, imagine a place in which democratically elected members of a legislature are not allowed to propose changes to a law. Imagine then that they are not allowed to speak to the proposals of others and if they protest they are summarily cut off by the majority. Imagine a legislative body taking decisions without votes or ignoring long established rules of procedure in order to deny minority groups the right to be heard. Imagine a member of this minority group daring to challenge and oppose such autocratic rulings only to have the majority further restrict his rights by denying him the opportunity to even ask questions.

These types of governments exist around the world. We know that oppressive governments sometimes use the tools of democracy to choke off reasoned debate even while spouting false words about democracy and goodwill.

This kind of situation would be condemned by all members. I only wish we were describing a third world country, but I am talking about the standing committee on human rights and what it did last night.

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ROYAL CANADIAN AIR FORCE ASSOCIATION

Mr. Ivan Grose (Oshawa, Lib.): Mr. Speaker, it seems to me that everyone from Oshawa is in the nation's capital. It makes me wonder who is minding the store.

I am proud to acknowledge the presence in the nation's capital today of members of 420 Wing, the Royal Canadian Air Force Association from Oshawa, an organization of which I am a proud member.

Some of the members here today have just returned from V–E Day ceremonies in Europe. Incidentally they tell me that our Prime Minister was the hit of the show in Holland and literally moved everyone to tears. These are the men and women of Canada whose sense of duty, dedication and love of their country made that long ago victory possible.

We in the House would do well to exhibit the same patriotism and loyalty to this country that my friends and comrades showed in their youth and in truth to this day.

I will close with an admonition to all of us that was given to the airman son by his anxious mother: "My son, fly low and slow".

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TULIP FESTIVAL

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, this week in Ottawa we celebrate the Canadian Tulip Festival. It commemorates our friendship with the Netherlands and the important role that Canadians played during the dark years of World War II.

This month thousands of Canadians travelled to Holland. They participated in celebrations commemorating the liberation of Holland in 1945. They were welcomed into the homes, villages and cities by appreciative Dutch families.

Liberty and freedom are taken for granted in Canada. In Holland it is sincerely appreciated. The veterans who returned were received as liberators who restored freedom for those who had lived five long years under Nazi rule.

Canadian veterans, along with the Secretary of State for Veterans, visited Canadian war cemeteries and paid their respects to the many young Canadians who lost their lives in the struggle. Only those who were in Holland for the ceremonies could truly appreciate the tremendous respect, gratitude and emotion the Dutch people have for their Canadian liberators.

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ONTARIO ELECTION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the people of Ontario have suffered throughout the nineties. They bore the full brunt of the recession and their troubles were compounded by an inexperienced, inept, high spending provincial government.

Do members know that the NDP government in Ontario continued to try to spend its way out of the recession two years longer than any other government? It doubled the provincial debt so that Ontarians now pay 20 cents of every tax dollar for interest. Now the NDP is trying to blame the federal government for its problems. We maintained the level of provincial transfers for our first two years in office. We have given all provincial governments ample notice about changes we intend to make.

Ontario needs a new government, a government which is caring and competent. Ontario cannot afford to try another inexperienced party. We cannot afford to stay with the NDP. We must have a Liberal government in Ontario after the upcoming election.

BREAST IMPLANTS

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, on Monday the multinational Dow Corning filed for bankruptcy protection, effectively cutting off another avenue for Canadian women seeking compensation for faulty silicone gel breast implants.

Despite the injury caused to Canadian women and the cost to taxpayers, the federal government has never filed suit against the manufacturers of these devices and continues to allow the use of saline breast implants; another disaster waiting to happen.

The federal government must act now and respond to breast implant support groups who have urged the minister to provide core funding to help them organize, to disseminate information, to make sure that physicians are required to inform women about the risk of implants, and to develop a national protocol for the removal of faulty implants.

• (1415)

Canadian women want action and deserve action. The government must respond now. It must no longer accept this serious health risk to women.

* * *

GUN CONTROL

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, many times the justice minister has claimed support from frontline police officers for his firearm control bill.

I would like to draw to the justice minister's attention that times have changed. The minister must be caught in a time warp. Not only have Canadians failed to support his firearm control measures but the very frontline police officers he often mentions are strongly opposed to his bill.

The frontline officers of Saskatchewan are against the bill, as are those of Manitoba and Alberta. We all know the Yukon and Northwest Territories authorities are against the bill. The police association stated it had many concerns with the bill. The Canadian Bar Association and aboriginals state the bill is unconstitutional. And today New Brunswick jumped on the bandwagon.

We have been told many times that many in his party are against his bill. They did not bother to come around to vote last time. Now the truth has been spoken I trust we will no longer hear that the minister has full support for his Bill C–68.

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL INFRASTRUCTURE PROGRAM

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the federal government is about to invest $20 million in public funds to give Winnipeg a new arena, just to keep the Jets in Winnipeg. Unfortunately, Ottawa has never shown the slightest interest in getting involved to keep the Nordiques in Quebec City. Once again, the double standard rears its ugly head.

How can the Prime Minister use the Infrastructure Program to justify paying $20 million to the Winnipeg Jets, when according to our information, more than 90 per cent of that money has already been spent or committed, leaving only $6 million in the bank?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have an infrastructure program, and any decisions made under this program are made jointly by the municipalities involved and by the provincial government.

When we introduced the first Infrastructure Program, the Quebec government and Quebec City decided to build a convention centre in Quebec City, and the federal government invested $26 million. At the time, people said they might need an arena. The mayor of Quebec City, as reported in the media this morning, said no, Quebec City's priority was a convention centre.

In the case of Winnipeg and the Government of Manitoba, $15 million had not been allocated, and they asked us to allocate them for the building an infrastructure in Winnipeg, an arena.

There are several precedents in this respect. In Alberta, the government decided to invest $5 million in the arena in Edmonton and $4 million in the arena in Calgary, all federal money.

We respect provincial jurisdictions. We make the money available to the various governments. A total of $15 million comes from the Infrastructure Program. As we all know, the Pan–American Games will be held in Winnipeg two years from now, and they need certain facilities, so they want to combine the facilities for the Pan–American Games with the possibility to build an arena. So if the city and the province want a new infrastructure, they can take the money that is there. There is no new money for this program. This is money allocated to Manitoba which had not yet been distributed.

• (1420)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, would the Prime Minister confirm that the $20 million Ottawa will give in direct assistance to the Winnipeg Jets is well in excess of what is available under the Infrastructure Program and will impinge, as he himself said, on the budget set aside for the Pan–American

Games, although none of the disciplines at these games will require a coliseum or an arena of the kind that is going to be built, and that the money will also come from the Western Economic Diversification Office headed by his minister, the member from Winnipeg?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just made it very clear that the $15 million comes out of the money allocated to the Province of Manitoba. The province decides, as was the case in Quebec and Ontario. Ontario built a brand new convention centre; it also built a new cultural centre in Mississauga; Vancouver used all the allocated money for a new water treatment system. All these decisions were made by the provincial governments.

In the case of Manitoba, the province decided to use the money available to build a new infrastructure, a new arena, just like Edmonton and Calgary decided to invest substantial amounts in improving the arenas in Edmonton and Calgary.

There is no double standard here. There is only one standard; this money comes out of the budget. We respect the preferences of the provincial governments. In the case of Quebec City, Mayor L'Allier made it clear that he was not interested in an arena. He wanted a convention centre, and they will get their convention centre.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, people remember how the Minister of Industry insisted on a business plan when the time came to invest money in MIL Davie in Quebec City. And how he insisted!

Before the government—which is broke, in any case—invests more than $20 million in public funds in the Winnipeg Jets, could the Prime Minister tell us whether his government insisted that the Winnipeg Jets submit a business plan, to ensure this money is not wasted, and that the Jets provide guarantees that they will not leave within the next three years?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, with the provincial government and the municipal government, we are investing in an infrastructure which is an arena. We are not investing any money in the hockey team, certainly not.

The private sector in Winnipeg has decided to raise funds to buy the hockey team. We do not know whether they succeeded. In any case, the Premier of Manitoba and the mayor of Winnipeg decided that the money allocated for Winnipeg and for the Province of Manitoba would be used to build a new infrastructure, an arena.

In Quebec City, they opted for a convention centre. In Vancouver, they decided to invest in a water treatment plant. We respect the priorities of the provincial governments, but we know that, if construction is going on, people are working, and that is money well spent. That is why we introduced this infrastructure program, which, by the way, has been a huge success in Canada.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if this money is not for the Winnipeg Jets but only for an arena, the Prime Minister will surely not tell us that it is for the free skating sessions on Saturday nights.

The federal government has decided to provide a direct $20 million subsidy for building this arena, for the sole purpose of allowing the city to keep the Jets franchise. This announcement came right after the Quebec Nordiques turned down the Quebec government's proposal.

How does the minister explain the federal government's sudden eagerness to help the Winnipeg Jets, even taking money from outside the infrastructure budget, the day after the Nordiques' owners rejected the Quebec government's proposal, when Ottawa never expressed its intention to assist the Nordiques?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think that, with respect to the Quebec government's proposal to the Nordiques, no one asked us to invest in an arena as we are doing in Winnipeg. Even back in January, the first project we approved was a convention centre for Quebec City, in which we invested $26 million and which led to accusations by the Reform Party that we acted too quickly for the benefit of Quebec City.

Mayor L'Allier is reported in today's press as saying that Quebec City's priority is not an arena but a convention centre. And we respected the wish of Quebec City's separatist mayor. I wonder why the members of the Parti Quebecois and the Bloc Quebecois are against our respecting the wish of Quebec City's separatist mayor.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, $5 million was taken from the Pan-American Games budget, even though Winnipeg maintained that it had all the facilities needed for these games. The situation seems to have changed overnight. The Prime Minister has just given us the reason: separatists. This always gets a rise out of the Prime Minister.

I would like the Prime Minister to admit frankly that the $20 million aid package to the Jets had been planned for a while and that his government waited for the Nordiques' owners to reject the Quebec government's proposal to make a public announcement so that it would not have to provide the same kind of assistance to the Nordiques.

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have not received one letter or one phone call from anybody from Quebec in the case of the Nordiques. Never. There was no timing arranged for that.

The people of Winnipeg and the business people of Winnipeg might or might not buy the hockey team. The city of Winnipeg and the premier of Manitoba have decided to take the money allocated for infrastructure for Manitoba and put it into an arena, exactly like the city of Edmonton, exactly like the city of Calgary. The city of Vancouver decided to invest its money in a sewage treatment plant. The city of Toronto is investing in a conference centre. The city of Mississauga is investing in an arts centre.

We respect the will of the citizens of Canada. What is wrong with that? We are flexible enough to listen to all the premiers of Canada.

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INDIAN AFFAIRS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Liberal red book promised that the government would move full steam ahead on aboriginal self–government and on resolving outstanding land claims. As predicted, this has led to unrealistic expectations on the part of Indian bands, particularly in British Columbia.

Currently a huge percentage of B.C.'s land mass is claimed by natives but the provincial government says it is only willing to negotiate on 5 per cent and that self–government will not extend beyond the powers enjoyed by municipalities.

Will the minister of Indian affairs now admit that his failure to set realistic parameters for land claim negotiations and self–government is feeding these unrealistically high expectations and it is high time for him to correct these failures?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): No, Mr. Speaker.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister treats this frivolously but he is headed for a disaster in aboriginal relations in the province of British Columbia.

Even his officials recognize that the federal government has raised band expectations to unmanageable levels while keeping the rest of the B.C. community in the dark. Despite memos from the deputy minister and appeals from the Assembly of First Nations, he stubbornly refuses to provide aboriginal groups and Canadians with any limits on the federal position on land claims or self–government.

I ask the minister again. Will he provide realistic guidelines for land claim negotiations and aboriginal self–government at least for the province of British Columbia?

• (1430)

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I do not agree with the premise of the question. The issue of how much land, which is what we are talking about, will be provided to the First Nations is primarily a provincial responsibility since most of the available land is in the name of the provinces.

The offer, or the leaked offer because I have not seen it, by the province of B.C. is a question of a quantum of land. When the aboriginal people of B.C. get the offer they will respond to it and we will respond to it. But right now we provide money, the provinces provide land and that is their provincial responsibility.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in its land claim negotiation paper the British Columbia government goes beyond land. It says that privately owned land will not be on the table. It says that aboriginal self–government will be restricted to municipal–like powers. It says that status Indians should lose provincial and federal tax exemptions once their land claims are settled.

Does the minister agree with the positions being taken by the Government of British Columbia on these issues and if not, what is the federal position?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, on the issue of privately owned land, we have been consistent across this country to protect privately owned land and we try to compensate in those cases.

On the issue of taxes I find it passing strange that a province would make an offer on what is clearly our jurisdiction. I have made it clear to the province that the matter of taxation has to be solved with the Minister of Finance, the Minister of National Revenue and Parliament at a national level.

As far as the question of status is concerned, this is something we are always negotiating. The leader of the Reform Party must realize that status is very important to aboriginal people for very legitimate reasons.

* * *

[*Translation*]

CANADIAN NATIONAL

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, my question is for the Minister of Transport.

In an effort to reduce the debt of Canadian National, thus making it easier to privatize, the government is apparently about to buy this company's real estate assets, including the famous

CN Tower in Toronto. These would be purchased at a price higher than their true market value, to help CN bring its debt down from $2.5 billion to $1.5 billion.

How can the Minister of Transport justify his government's decision to invest considerable public funds in buying real estate assets already paid for by Canadian taxpayers?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the hon. member's premise is completely wrong. It is not the government's intention to pay anything for the real estate assets of CN that will not be transferred at the time of the issue. We have said that with the Department of Finance we will negotiate an arrangement to give CN a credit for the market value of any residual real estate assets.

The hon. member will know that the objective of the government is to try to put Canadian National railways out into the private sector in a condition that will allow it to operate in the same environment as Canadian Pacific. There will have to be some work done to reduce the $2.5 billion debt. I want to reassure my hon. friend that whatever the government does with respect to the sale of CN will be done in the very best interests of the Canadian taxpayers, both now and in the future.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, will the Minister of Transport confirm his government's intention not only to use public funds to buy assets already paid for by taxpayers, but also to buy these assets for more than their current market value?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, as I indicated to the hon. member, but I understand he had his supplementary written down before he listened to the answer, there is no intention on the part of the government of giving any credit to CN that is in addition to any prior market value that would be identified.

The sale of CN is a major undertaking. We understand the opposition has agreed to it in principle. We hope we can demonstrate that on a business basis this will be done in the best interests of the Canadian taxpayer. Any evaluation of assets, real estate or otherwise, will be done on the very best basis of business and ordinary commercial practice.

• (1435)

INFRASTRUCTURE PROGRAM

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, like many other Canadians, I am a fan of our national sport, hockey, but I am not a fan of taxpayer subsidies for professional sports.

The problems in Winnipeg and Quebec could be and should be solved by the NHL, not the Canadian taxpayers. Private luxury boxes and million dollar hockey players should not be subsidized by overtaxed Canadians.

How can the Prime Minister justify reallocating infrastructure dollars when hospitals are closing and Canadians are risking their lives on unsafe roads?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the infrastructure program, as I think the Prime Minister has pointed out, is based on local needs and local priorities to create jobs, strengthen the infrastructure of our communities so that we can attract additional investment dollars and provide more jobs.

The hon. member has an arena in his own constituency which also provides facilities for hockey players. He has supported infrastructure projects in his province.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the arena in Barrie was never supported by this member of Parliament at any time. The minister knows that. Arenas in Barrie, Edmonton or Winnipeg never were infrastructure, in any way.

The Minister of Industry has stated in this House that this level of government will no longer continue to subsidize business. Yet his western counterpart, the Minister of Human Resources Development, is attempting to bail out another local industry, the Winnipeg Jets.

Will the Prime Minister indicate what the policy of this government is? Is it the status quo pork barrelling of the western minister, or is it the let business thrive on its own policy of the industry minister? They cannot have it both ways. Which way is it?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, talking about having it both ways, who said: "I am writing to further offer my strong support for the project because of significant job creation?"

The project in Winnipeg will create thousands of jobs for the people of that city. It will create a great amount of economic activity. It is a priority of the city, a priority of the provincial government. Those are the rules under which we have been operating the infrastructure program.

[*Translation*]

CN RAIL

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, looking at the Liberals across the floor, one would think we were at the Winnipeg arena.

My question is for the Minister of Transport. The minister is about to privatize one of the most important federal crown corporations, without restricting foreign ownership. CN, which was established at a cost of billions of dollars in public moneys, is an invaluable asset for Canada and Quebec. Should it come under foreign control, it might not fully serve the interests of Canadians.

Will the minister admit that, by overrating CN's assets, so as to increase the market value of the corporation, he is in fact using Canadian taxpayers' money to give foreign buyers an indirect subsidy?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I am truly moved by the hon. member, who is concerned about CN's future as a Canada–wide venture, from Halifax to Vancouver. At one point, I thought the member felt our government had decided not to restrict foreign investments, precisely to allow people like him, who want to achieve independence, to have an interest in that company.

• (1440)

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I remind the Minister of Transport that Quebecers contributed 25 per cent of CN's assets. The minister is not giving us anything.

Some hon. members: Hear, hear.

An hon. member: That is true. Put that in your pipe and smoke it.

Mr. Guimond: On another topic, and I hope to get an intelligent answer, will the minister agree that it is possible for a group of foreign businesses controlled by the same shareholder to buy a majority of CN's shares, thus making it impossible for the minister to ensure that CN remains under Canadian control?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the experience of Canadian Pacific which has been operating as a private shareholder driven company since the last century is such that there is no indication of any interest to the extent that we should be concerned about foreign ownership.

What I am far more worried about and what the government is concerned about is in order to have a successful issue of this size, we are of a mind and of the advice we have received both domestically and internationally that the issue is just too big for Canadian investors to take up. We feel that protection for the future of CN is really far more important in the context of our restriction on 15 per cent ownership for any individual or corporation.

The important thing here that everyone should keep in mind is this is going to be the single largest transaction of its kind in Canadian history. We are trading on a global basis. This railroad has to be competitive in the global economy. We think that restricting foreign ownership would not give the kind of signal that we believe is important, that is, that Canadians want to do business with everybody around the world. We are confident that as is the case with CP, CN will be retained in a majority way in Canadian hands.

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CANADIAN BROADCASTING CORPORATION

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, CBC and Cadillac Fairview have broken a deal over their lease arrangements, perhaps costing the CBC and the Canadian taxpayer up to $250 million. The actual cost remains unknown because both the CBC and the minister's office refuse to make public any of the deals of the arrangement.

My question for the Minister of Canadian Heritage is: If there is nothing to hide, will he commit to making public all of the details of this secretive deal?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, there was of course an intervention by the courts. I will have to look carefully at what was decided. Eventually the transaction will have to be confirmed by an order of the governor in council. When we come to that point, I shall be pleased to answer the question.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let me continue. The CBC broadcast centre came in $138 million over budget. It was supposed to get revenues from Bramalea and Cadillac Fairview but now both companies are bankrupt. The total lease cost for the building amounts to over $1.7 billion. Now the government is poised to bail out of this $250 million fiasco.

The broadcast centre has been a financial disaster from the get go. Will the minister direct the auditor general to investigate the financing of this broadcast centre boondoggle and table the report in this Parliament?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I take note of the allegations of our colleague and will give her the same answer I gave earlier. I will look into it and answer her questions.

[*Translation*]

INFRASTRUCTURE PROGRAM

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister has just told us that $15 million of the $20 million promised for the Winnipeg Jets will come from the infrastructure program in Manitoba. Information in official Treasury Board documents, however, reveals something quite different.

How can the Prime Minister say, on January 24, that in book 3 of the Treasury Board Estimates, only $6 million remained for the infrastructure program in Manitoba and talk today about $15 million? Where did the extra $9 million come from?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as regards the allocations for Manitoba, certain projects were left undeveloped, and $12 million is available at the moment.

Mr. Gauthier: So now it is $12 million. The figure is changing.

Mr. Chrétien (Saint–Maurice): Twelve million dollars is currently available, according to the President of Treasury Board. The Government of Manitoba decided to reallocate certain approved projects, cancel them and replace them to create an additional $3 million, bringing the total to $15 million.

• (1445)

As I said earlier, the remaining $5 million will come from the money allocated for the preparation of the infrastructures needed for the Pan American Games. This adds up to the $20 million approved by the government. It has nothing to do with the hockey team. It is a matter of giving the City of Winnipeg and the Government of Manitoba their choice of priorities.

It is as if Calgary, Edmonton or the hon. member's city chose to have arenas. This was the choice of the City of Winnipeg. The mayor of Quebec City decided clearly, with the first project approved, to put all the money available to Quebec City and the region around it into a convention centre, which was already well under way. This was the local officials' priority, and we accepted it with pleasure.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, in the light of these latest rapid changes, how can the Prime Minister agree to reallocating $5 million earmarked for the Pan American Games to finance the Winnipeg Jets?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, clearly when you are holding the Pan American Games, you have to have the necessary equipment. The City of Winnipeg and the government of the province decided to use this opportunity to build themselves a facility to meet both requirements. This will be a good thing if it means saving some money.

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CANADIAN ARMED FORCES

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

It will be remembered that, when the Saint–Jean military college was closed, certain people claimed that the closure would decrease the representation of francophones in the Canadian Forces. We all know about the budget and the white paper on national defence.

I would ask the Minister of National Defence to report to the House on the situation of francophones in the Canadian armed forces, and on their recruitment in particular.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I must thank the hon. member for his question. Contrary to certain allegations that the closure of the Saint–Jean military college would negatively affect the recruitment of francophones in the armed forces, I am pleased to announce that we met our recruitment objective this year for francophone officer cadets, which was 30 per cent.

This clearly shows that francophones still and will always consider a career in the Canadian forces to be worthwhile.

* * *

[*English*]

CULTURAL POLICY

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the American government is developing a hit list of Canadian communication and entertainment companies in retaliation for Canada's policy of cultural isolationism, a policy that has already denied Canadian country music artists a worldwide audience via country music television. Now Much Music and Teleglobe are among companies who may be sacrificed with this isolationist policy.

My question is for the Minister of Canadian Heritage. Can the minister deny that this government's anti–competitive cultural policies will cost Canadians jobs and Canadian country music artists worldwide exposure?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, I can confirm for the hon. member that I did indeed receive a letter from the United States trade representative that indicates the intention to embark on a section 301 action against Canada if in the time immediately ahead it is not possible for us to reach agreement on the issues the hon. member has raised.

• (1450)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, we will try again with perhaps the heritage minister or the Minister of Industry.

Canadians have made it very clear: we support choice and competition. These should be the guiding principles of a cultural policy. Instead, it would appear that the Liberals favour competition when it benefits the Liberal family compact.

Why is the minister sacrificing Canadian artists, Canadian jobs, and consumer choice at the altar of Canadian cultural isolationism?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the decision to delist CMT was made by the CRTC pursuant to a long–standing CRTC policy. When CMT entered the Canadian market it was aware of the CRTC policy that it could be de–listed if a competitive Canadian service so requested. That is the rule of the game.

The follow up is naturally in the hands of the American authorities concerned. They have threatened retaliation. The minister of commerce and foreign trade has indicated that the letter from the secretary of state's Mr. Kantor received by him will be replied to in due course. However, the policy is clear.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the President of the Treasury Board. The official opposition checked the information network Internet and found that at least 10 federal government institutions provide information exclusively in English. Among the guilty you will find the Department of National Defence, the Royal Military College of Kingston, the Department of Industry and the Department of Natural Resources.

Does the President of the Treasury Board, who is responsible for applying the Official Languages Act, intend to take immediate action to ensure that these federal institutions and organizations start offering information in both official languages on Internet on the double?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as I have indicated before in the House, we certainly intend to have the Official Languages Act and its regulations upheld. Canadians should be able to get service in the official language of their choice.

I understand the Internet primarily deals in the English language. What we need to do, in terms of ensuring that our government services are provided in both official languages, is take the necessary action to help ensure that happens.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, federal documents should be released to the public in both official languages simultaneously, not just in English and later in French whenever they have the time. We must all be treated equally. All that they have done is put a French title page in front of an English document. That is what I call a one way highway.

Some hon. members: Hear, hear.

Mrs. Tremblay (Rimouski—Témiscouata): In these hours following the release of the CRTC's recommendations regarding Canadian content on the information highway, is the President of the Treasury Board not ashamed to face francophones, knowing that some of the information the federal government puts on Internet is only available in English?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as I indicated, there is changing technology. The government certainly is committed to moving as quickly as it can to ensure that people can have the services of this government in the official language of their choice. A great deal of progress has been made by this government to do exactly that.

I have indicated before in the House the new publications that have been brought out to assist our departments in making sure that happens, providing information to the public on where they can get service in the official language of their choice and publishing it in minority language newspapers. I can go on and on.

• (1455)

The government intends to ensure that the Official Languages Act and its regulations are followed so that Canadians can have service in the official language of their choice.

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ELECTION ADVERTISING

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, you will know that the government has been appealing the Alberta Court of Queen's Bench ruling that the gag law against third party election advertising and free speech is unconstitutional.

According to recent press reports, the government's appeal in Alberta is all but being laughed out of court. Will the solicitor general save the taxpayers further expense and withdraw his appeal of the undemocratic gag law?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have found from my long experience arguing in courtrooms that it is very difficult to predict from newspaper reports what the result of a case will be.

I would caution the hon. member to be patient. We have made our submissions, and out of respect for the court I think we will await the judgment before making further comment.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, this has already been defeated twice in the courts in the past.

Will the minister admit that the real reason for trying to preserve this gag law in court is the same reason as that of the previous government—that it is worried about organizations and citizens who are going to make their obscene pension plans an issue in the next federal election?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the position we advanced as counsel for the federal government was argued in the courtroom, where it should be argued. That judgment is now in reserve and I do not propose to comment on it until the court has had an opportunity to express its opinion.

However, I can tell the hon. member that the next time this government goes to the electorate it will do so very proud of the fact that it fulfilled its red book commitments with respect to pensions and every other matter.

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TOURISM

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, my question is to the Minister of National Revenue.

Tourism is a substantial industry, worth billions of dollars to the Canadian economy. On Sunday the minister announced the opening of a new facility at the Vancouver international airport to assist foreign travellers. Would the minister tell the House how the new facility will help the economy and the thousands of cruise ship passengers travelling through Vancouver?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I certainly can.

We have approximately 700,000 cruise ship visitors coming through Vancouver. These people put millions upon millions of dollars into the economy of Vancouver. Yet I found to my surprise when I became minister that they were waiting for up to three hours at the Vancouver airport before moving down to the ship terminals.

We have a new facility in place. It is temporary until the new building is put in next year. Instead of wasting their time at the airport, the cruise ship passengers will now have the opportunity to spend their time in downtown Vancouver and spend their dollars along with it.

* * *

[*Translation*]

ABORIGINAL AFFAIRS

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, my question is for the Indian affairs minister.

In a controversial move, Mohawks in Kanesatake are getting ready to bury two of their members in the pine grove, in Oka, on land belonging to the municipality of Oka. Meanwhile, negotiations have been suspended because their friend, Michel Robert, has been appointed to the bench.

Can the minister confirm that, for the past several years, the municipality of Oka has been offering land to the federal government—which it has not agreed to buy yet—in an effort to put an end to the tensions between itself and the Mohawk community in Kanesatake?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, this is potentially a very volatile situation, and with my knowledge of the hon. member I am sure he would not want to exploit it.

The situation is that two individuals, two Mohawks, drowned. The Mohawks say that there is not enough property in which to bury them and they have cleared a small plot of ground, which I think is 20 feet by 20 feet. The mayor of Oka says that it is his property. Judge Réjean Paul has been there. I think the minister of security for Quebec has looked at it. We are trying to keep a lid on it, and I think it would be highly inappropriate in the circumstances for me to comment on it. It is better done quietly and privately under the aegis of Judge Réjean Paul.

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Immigration Association released a new poll that confirms that even after having broken every promise it made to Canadians on immigration, this government is still woefully out of touch.

• (1500)

Seventy–six per cent thought bogus refugees should be turned around at the border with no appeal, and the majority agreed with the Reform Party that civil servants and not politically appointed friends of the minister should determine refugee status.

Will the minister finally listen to Canadians, put their interests first and scrap the Immigration and Refugee Board?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, is it a surprise after his trip to Washington where he and his party allowed Newt Gingrich, Pat Buchanan and that great visionary Sonny Bono to dictate immigration policy? Those three want to bring the United States back to the dark ages and this member wants to hook Canadians' wagon to that. We say no thank you.

* * *

WINNIPEG JETS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Prime Minister, who has been doing a lot of skating around the Winnipeg Jets issue.

Call it what you might, $20 million is being generated to rescue the Winnipeg Jets. If the government is to proceed with the rescue package would it at least consider taking an equity position in the hockey club so it will be an investment as opposed to simply turning its money over to the development of an arena which is really a black hole?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are not in the business of investing in hockey teams. We are in the business of investing in facilities. Because the city of Winnipeg wants to proceed with this project, it is quite eligible under the infrastructure works program.

The infrastructure works program has created to this point some 100,000 jobs, which is what this is about, creating jobs in our communities, strenghthening the infrastructure. That is where we have made our investment.

* * *

PRESENCE IN THE GALLERY

The Speaker: I draw the attention of the House to the presence in the gallery of the hon. Darlene Marzari, Minister of Municipal Affairs for the Government of British Columbia.

Some hon. members: Hear, hear.

The Speaker: This concludes question period.

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[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would like to ask the Secretary of State for Parliamentary Affairs if he could tell us what the order of business will be in the House next week.

[*English*]

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, tomorrow we will commence second reading of Bill C–82 regarding the mint, followed by Bill C–91 concerning the business development bank, Bill C–88 with respect to internal trade, Bill C–92 regarding the Canadian Wheat Board, Bill C–54 concerning pension administration, Bill C–75 respecting farm loans, Bill C–70 amending the Income Tax Act and Bill C–65 concerning the reorganization of certain agencies.

This will be followed by the resumption of debate on the motion to establish a special joint committee on a parliamentary code of conduct.

On Monday, May 29 if we have not completed this list we will resume at the point we left off on Friday.

Tuesday, May 30 and Thursday, June 1 shall be allotted days.

Mrs. Wayne: Mr. Speaker, on a point of order, pursuant to the Thursday statement, I would like to ask the government House leader if the government intends to bring back Bill S–7, a private member's bill dealing with operating government vehicles with alternative fuels. Will he be bringing the bill back to the House for third reading to determine passage before the summer recess on June 23?

Mr. Gagliano: Mr. Speaker, Bill S–7 is before committee. When the committee finishes its work and reports back to the House we will be glad to look at it.

GOVERNMENT ORDERS

• (1505)

[*English*]

SUPPLY

ALLOTTED DAY—QUEBEC'S FINANCIAL DEMANDS

The House resumed consideration of the motion.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, before question period I was speaking generally about Quebec's financial demands not being a new topic for the House. In the year and half I have been here Quebec's financial demands have been front and centre every day.

It seems odd the Bloc would raise this as an opposition motion in the knowledge that Quebec has done very well by being a member of our great country over many years. It seems passing strange that it would want to leave.

It is also a tragedy that most members of the Bloc seem to think the relationship between Quebec and the rest of the country is primarily financial. To the vast majority of Canadians

the relationship between Quebec and the rest of the country is far more than a financial arrangement; it is spiritual, a relationship among friends, brothers, relatives and family.

I recently introduced my son to Quebec and invited the people of Quebec and in particular members of the Bloc to venture west and east to see for themselves that Canadians are welcome in all parts of the country. Quebecers are welcome in the rest of Canada and the rest of Canada in Quebec.

Whether members of the House liked former President Reagan or not, they will appreciate that President Reagan was widely renowned for his masterful use of the media and his ability to express thoughts and put complicated thoughts into every day simple language. He was a master manipulator of the media. People have to admit that.

It was passing strange that he had a portrait of Calvin Coolidge in the cabinet room. Calvin Coolidge was regarded as the president who had perhaps a most acerbic wit. He would never say in three words what could be said in one word and was generally regarded as a man of very few words.

President Reagan had a portrait of Calvin Coolidge in the cabinet room because of Coolidge's ability to put very pithy comments in very few words. I will deal specifically with what Calvin Coolidge had to say about people, about responsibilities and how we relate together as a society and what the role of government is.

Calvin Coolidge said: "The people cannot look to legislation generally for success; industry, thrift, character are not conferred by act or resolve. Government cannot relieve from toil. It can provide no substitute for the rewards of service. It can, of course, care for those who need care and recognize distinguished merit. The normal must care for themselves. Self–government means self–support".

• (1510)

If we were to extend that the country would benefit greatly if we would start to think in terms of self–reliance and self–support. All provinces, all regions, rather than looking to the federal government and asking what is in it for them should be asking what they can give to the common good of the country after they have looked after their own responsibilities.

Unless we are first able to look after ourselves how can we presume to look after our neighbours? If we cannot first look after our own province how can we presume to look after other provinces? We need to be self–sufficient as individuals, we need to be self–sufficient as communities, we need to be self–sufficient as provinces. This will inevitably lead to self–sufficiency as a nation and to the further strengthening of the nation into the future; in my fondest dreams, desires and wishes, a nation united, with Quebec very much a part of the greater Canada.

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this morning, I listened to the beginning of the debate which opened with the hon. member for Mégantic—Compton—Stanstead who, as usual, made a very good and very interesting speech. But it had nothing to do with the motion before the House, it was a speech on separatism.

For his part, as always, the hon. member for Edmonton Southwest made a very interesting and good speech. For the Reform Party, it was an excellent speech. He said he had a problem with the motion presented this morning by the hon. member for Mégantic—Compton—Stanstead, which reads as follows: That this House deplore the federal government's delay in responding to Quebec's demands, with regard to certain matters.

Does the hon. member for Edmonton Southwest agree with me that the only reason for the motion is not to complain about the delay, but to promote separatism and create misunderstanding between Quebec voters and voters in the rest of Canada? This is what is intended by the hon. member for Mégantic—Compton—Stanstead and his Bloc colleagues.

[*English*]

Mr. McClelland: Mr. Speaker, I thank the member opposite for the question. I agree the underlying thought behind the motion is an opportunity to advance the cause of separatism in the House.

It must be extremely frustrating for members of the Bloc to have come to the House resolved to work faithfully to taking themselves out of the House. The more time they spend here, the more at home and comfortable they feel. The more time the Bloc spends here, the more time the members representing the people of Canada in Quebec spend here, the more it is indicative the country is very welcoming to everyone.

I have a great deal of empathy toward the members of the Bloc. Members of the Reform Party came here under much the same cloud as members of the Bloc. We were expected by members of the central Canadian media, by the people of central Canada, to be some sort of monolithic neolists with our knuckles dragging on the ground.

• (1515)

Members of the Bloc and members of the Reform Party were supposed to be fighting in the lobby. Much to everybody's surprise they found out that we probably have far more that unites us than separates us. The members of the Bloc came here and got involved in what they did out of frustration with the way the country is run. They felt left out of the affairs of the nation and the fact that nothing ever changed.

That is precisely the reason I am here today as well. As we have been here for the last year and a half we have come to know more about each other. We are going to be able to ask the big question that is going to come, that is going to be asked in Quebec.

It is my wish, desire, hope and feeling that no matter how the question is posed in Quebec, its people will decide to remain with Canada. Those of us in the House will put it behind us. That is my desire, my wish and everything I do will be to that end.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I am always surprised to hear the Reform Party or the Liberal Party treat us as if we were beggars, as if we are asking for some kind of charity.

We are not begging for anything, far from it. We are only asking the federal government for what is rightfully ours, our part of the pie, the part that we sent to Ottawa. Through our taxes, we send enormous amounts of money to Ottawa. All we want is our due. Furthermore, we want the federal government to meet its commitments.

The federal government does not keep its promises. A good example of that is the health care system. When we introduced the health care system in Quebec, the federal government wanted to meddle in, so they said: "We want to impose our standards". In order for Quebec to accept that, they added: "We will pay 50 per cent of all the health care costs in Quebec".

Now the federal government pays only 30 per cent of the costs and we have to pay the remaining 70 per cent. It must be made clear that all the standards and structures were implemented on the grounds that the federal government would pay 50 per cent of the costs, not 30 per cent as it does now. Can you imagine what kind of management nightmare this creates for Quebec?

All we ask is that the federal government accept its own responsibilities. We are not begging, we are not asking for gifts, far from it. We are just saying to the federal level: "At least give us back the money we send to you". We are only asking for justice. All we ask is that the federal government carries out its promises.

This is why we have been saying for many years now: "Since you will not fulfil your commitments, we will levy all our own taxes and we will send you whatever we see fit". That is their attitude towards us, and that is why we want sovereignty. We do not want to be beggars, we want the federal government to keep its promises and it does not.

That is what I wanted to convey to the Reform Party member. He seems to know little about history. He is trying to convince the Canadians that Quebecers are beggars. We are not beggars. We only want what is rightfully ours, and we want respect.

[*English*]

Mr. McClelland: Mr. Speaker, if I left the impression with the hon. member that I thought the people of Quebec and the Bloc were here as beggars that certainly was not my intention. I do not think that is the case at all.

Bloc members are hard bargainers. The people of Quebec have been very skilful in using their balance of power and their electoral might for many years in extracting far more than their just rewards from their association with Canada.

The people of Quebec have done very handsomely by their association with Canada. The member speaks of the 50:50 cost sharing in health care. Let us talk about Canada assistance. The province of Quebec gets 70 cents of every dollar spent on welfare. Ontario gets 50 cents and Alberta and B.C. get 50 cents.

How is it that the province of Quebec is considered a have not province when it does not factor in its great and magnificent resource of hydroelectric power? The petrochemical resources of Alberta are factored in. Last year the province of Quebec received $3.5 billion in equalization payments. Alberta has contributed in the last 40 years something in the area of $100 billion toward equalization payments. Quebec has benefited by about that amount.

• (1520)

Therefore, for any member of the Bloc or any other member from Quebec or anywhere else to stand and say that Quebec has done poorly by its association with the rest of Canada is just denying reality.

If Quebec were to decide, in its wisdom, to leave the federation, it would be hurt dramatically because every nickel that has been going to Quebec to subsidize and protect Quebec industry or in direct cash transfers would come to a crashing halt. The people of Quebec have to understand that. They have to be looked square in the eye and told that if they decide to leave this country we are going to leave our cheque book right here at home locked safely in the drawer.

[*Translation*]

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the motion before us today refers to three issues between the government of Canada and the government of Quebec. Indeed, the Quebec minister responsible for Canadian intergovernmental affairs raised them earlier this week with my hon. colleague, the Minister of Intergovernmental Affairs in Ottawa.

This motion suggests that the government of Canada is using delaying tactics in its relationship with the Quebec government. That is not the case. In fact, what is going on here is totally appropriate. It is a normal and constructive process of relationship between two levels of government. And the Quebec case is no different from any other.

Since he became Minister of Intergovernmental Affairs 18 months ago, my colleague has met with his provincial counterparts more than 20 times. Eighteen months in government, more than 20 meetings. He met with his counterparts in Western Canada, in the territories, in the Atlantic area, in Ontario and in Quebec.

At these meetings, it is perfectly normal for provincial ministers to raise issues with the government of Canada that need to be solved. As usual, the government of Canada examines them and, with the co–operation of the province concerned, takes steps to find solutions agreeable to both parties.

Also, the government of Canada sometimes identifies issues that it considers important. It then consults with the provincial governments and, together, they agree on measures, once again to reach fair and equitable agreements.

This process is not peculiar to the Department of Intergovernmental Affairs. In the Canadian federation, this approach is successful because all first ministers, ministers and officials work closely together to achieve concrete and practical results.

Our pragmatic federalism is based on a series of mechanisms and intergovernmental meetings that allow our governments to consult regularly and to solve their problems. These mechanisms come under various forms: we have first ministers' conferences, ministers' conferences, interprovincial meetings as well as a lot of meetings at the level of the deputy ministers. That is what makes our federation flexible.

• (1525)

These various mechanisms and our flexible federation, as well as the co–operation we were able to get from the provinces and the territories, led to the following achievements. We were able to sign agreements with all the provinces under the infrastructure program; to reach an agreement to reduce interprovincial barriers to trade and free movement of individuals so as to reinforce our economic union; to sign action plans with eight provinces and two territories to reduce duplication and overlap; and to create Team Canada, led by the Prime Minister of Canada, to strengthen our position on promising new markets.

The object of the national infrastructure program was to promote economic recovery by creating short term and long term jobs through local investments, while meeting the obvious need to renew and improve local infrastructures throughout Canada.

Under this flexible program, municipalities, provinces and territories can take into account their own priorities. The completed projects for the most part have met the priorities set by the local authorities, in accordance with the national and provincial objectives and criteria and pursuant to the federal–provincial agreements underlying the program.

The Agreement on Internal Trade provides for concrete changes, implementation schedules and a complete process that will help Canada become a real economic union characterized by freer movement of people, capital, goods and services.

With the agreement on the reduction of duplication and overlap, we are seeking to rationalize operations in areas ranging from environment to small business support to tax collection. The final result will be a streamlined government, less regulation and bureaucracy and more efficient services delivered directly and at a lower cost.

As for Team Canada's mission, it is an excellent example of what modern federalism can accomplish. It showed us that we can co–operate very effectively as a country to create jobs here and open up new horizons for all Canadians. Team Canada had quite an impact in the countries that we visited.

Everybody was impressed by the co–operation between the private and public sectors and by the way the various levels of government work together in the national interest.

These results are proof of our commitment to create jobs and to stimulate economic growth in our country, to build together a federation capable of facing international competition. That is what a good government is all about.

But such results are possible only if governments negotiate openly and in good faith. However, that does not mean that federalism excludes any dispute. We know that.

In Canada, we must continually find a balance between regional, provincial, cultural and language interests on one hand and national interests on the other hand in what we can call a state of constructive tension. I say it is constructive because it forces the parties to try and meet local needs while taking national priorities into account.

The government of Canada does not favour any region or any sector of our society to the detriment of another. If a region is hard hit by desertification, by a crisis in the fishing industry, by difficult economic conditions or whatever, the federation can come to the rescue thanks to our collective resources.

The name of the game is interdependence, and federalism makes the necessary compromises between the various groups and regions.

• (1530)

As Alain Gagnon, a political science expert at McGill University, noted, federalism is considered to be the expression of democratic practices favourable to innovative policies and political choices at the territorial level. As Canada faces the future, it enjoys the clear advantage of being a federation.

We know that both Quebecers and other Canadians fervently hope that their governments will work to resolve the pressing problems facing us. The time has come to turn the page and set aside our political differences so that we can invest all our energy in a common cause: to build a strong and united country for the present and future generations.

It is in this spirit that the Canadian government is negotiating with the Government of Quebec. We would like our opposition colleagues to understand that the Canadian government cares about Quebecers' interests as much as the Quebec government does. With regard to the three items included in the motion tabled by the hon. member for Mégantic—Compton—Stanstead, the Canadian government has acted in good faith. In every case, the process used was proper and consistent with normal intergovernmental relations within a federation such as ours.

I will certainly vote against the motion being debated today, because it goes against the principles underlying good federal–provincial relations in Canada. I know that every day since the 1993 election, every time they ask a question during Question Period, every time they make a speech in the House or ask a question during debate, my colleagues always come back to the issue of separation.

Yet, after listening to Bloc members for 18 months, Quebecers have not changed their minds. Quite the contrary. If we do an analysis over a given period, we see that Quebecers have realized that they are better off staying in the Canadian federation. Earlier, the hon. member for Longueuil asked his Reform colleague a question about health care. He spoke about the various original commitments and what we are now paying.

I am sure that the hon. member did not do it on purpose, but he failed to mention that how much the federal government invested in previous agreements, which were always negotiated with and agreed to by the various provincial governments, is not the only reference point. The federal government transferred to the provinces, in exchange for that money, a portion of the tax points it used to collect. Thus our responsibility has not changed.

He is forgetting that, when this federation was born in 1867, the federal authority was responsible for 60 per cent of taxes. Yet today, it is the opposite. This federal system is constantly changing to fit the circumstances. Indeed, every country of the world recognizes that the federal system is one of the most flexible government systems ever to be devised and experimented. In fact, Europe has been trying to imitate it since 1950 but is still far from having achieved anything like what we have. Of course there is room for improvement, but this is no reason to want to destroy the system and throw it away.

I think that the past can vouch for it: thing always improve and will continue to improve. I am convinced that, try as they may, day after day, every chance they get in this House to convince the people of Quebec that Canada does not work, my hon. colleagues from the official opposition will fail and the people of Quebec will remain in Canada because this country belongs to them and that is a fact. That is one thing that my hon. colleague and I agree on. Canada belongs to the people of Quebec, the same way that Quebec belongs to Canada. We built this country together. It should not be destroyed and we will do our best to prevent its destruction.

• (1535)

We hear people say that things are bad, that the federal government is not paying its bills and is acting in bad faith. We are talking about matters between two governments. Even in the private sector, there are explanations to be given, questions to be answered, before payment is made, and that is normal.

In fact, as my colleague, the minister of Intergovernmental Affairs mentioned this morning, in one case, we made partial payment and then said: "Look, there is a problem here. We will refer the matter to the auditor general. He will check into it and report to us. We will do as he recommends". We are still waiting. We hope to receive his report in the near future and we will abide by his decision.

We have already paid $450 million for education in northern Quebec. We have nothing more to pay, but because the Quebec government wants more, we would like to know why it cost so much. No answer.

This kind of interaction is normal. Instead of making an effort to discuss and find a way of creating jobs together, we gather here for an opposition day. And the opposition comes and tells us how we can go on wrangling and tearing one another apart to show Quebecers and drive in their heads that this system just is not working, that we do not pay our bills and so on. As the hon. member for Longueuil said: "The only option we have left is to separate". Not so, Mr. Speaker. I suggest that, with 128 years of experience, this system is a model for the whole world.

There are thousands and thousands of people in the world who would give anything to become Canadian citizens, to come and live in this country, in spite of this so–called hardship our colleagues opposite are taking about. This is a valid experience. Our country is regarded as a model around the world and will remain a model because the people of Quebec and Canada have faith in this system that we built together and will maintain.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I just heard a carefully prepared speech, and indeed a very eloquent speech, from the hon. member, who said that Canada is the envy of the whole world.

This sort of talk is starting to get on my nerves. Canada's debt is close to $600 billion, our situation is like that of some 60 developing countries, and we are on the edge of the abyss, but we keep saying: Yes, it is a great country. Rather, it was a great country, but this is no longer the case, it is on the point of collapse. Why? Because the federal government insists on directing everything from the top, on centralizing all responsibilities in Ottawa.

We are well aware that duplications cost between $2 billion to $3 billion. And that is not all, however. Just take, for example, our government's fascination with spending. It spent so much money, from the 1970s until 1989, that inflation was the result. The rate of inflation was jumping by 10 or 12 per cent per year. I recall that vividly.

What actions did the government take, even if it was responsible for that inflation? In the 1980s, it had to raise interest rates up to 21 per cent, which killed the economy and created a terrible recession. A great number of small and medium–sized firms in Quebec went bankrupt. That is very sad.

• (1540)

Some lost their jobs and experienced a lot of problems. I know many business people who worked very hard and who still went bankrupt in 1981–82. Why? Because the federal government itself generated that inflation. It increased interest rates to such a level that they killed the economy.

The federal government was the cause of that inflation and it was also responsible for the recession. All that happened because of its spending power. The federal government generated the inflationary spiral because it was intent on showing that it was indispensable, that it was giving money in every sector, including economic development and tourism.

The same thing happened between 1984 and 1990. Again, the government was responsible for the inflation. It also brought on the recession in 1990. From 1990 to 1994, it increased interest rates and triggered a recession. Once again, a lot of Quebec entrepreneurs and small businesses suffered. Some of them work 15 hours a day to build their businesses. So, the federal government is the cause of the recession and all these problems.

This is why we want some stability. Stability does not mean that the federal government must control everything and spend the way it does to prove it is indispensable.

The problem with our current debt of 500 to 600 billion dollars is that people are no longer interested in investing in our country. They no longer want to invest because interest rates fluctuate by 10 per cent every decade, while the value of the dollar can be anywhere from 70 to 90 cents. How can an investor who wants to export in the U.S. be interested in settling here, when interest rates vary by 10 per cent over a five or six year period, and when the unemployment rate fluctuates between 10 and 20 per cent?

There are pulp and paper companies which do well and then, all of a sudden, they go belly up. Why? Because the value of our dollar fluctuates. And why does it fluctuate? Because the federal government does not know how to manage. Because it spends too much in the hope of proving, to Quebecers in particular, that it is indispensable.

These are the reasons why we have decided to take control of our destiny. We do not want to fall in the same deep hole as this federation, which does not understand the need to decentralize, so as to improve our efficiency and ensure our success. Indeed, we want to become sovereign because we do not want to fall in the same deep hole of federation.

The hon. member for Saint–Léonard made very interesting comments. He had a nice speech prepared in advance by his friends. In fact, the Prime Minister himself probably told him what to say. I am convinced that the hon. member does not believe what he said, because he is an accountant. He understands my point very well, and I am convinced that he agrees with what I said.

Mr. Gagliano: Mr. Speaker, I would like to thank the hon. member for Longueuil. His remarks bear out what I was saying. He said that the federal government is to blame for everything.

Is it the federal government's fault if Canada, in the 1980s, in spite of all its problems—like high inflation and interest rates—became a member of the G–7, a member of the seven most developed countries? Is it the federal government's fault if, for two consecutive years, the Organization of American States has said that Canada is the best country in the world to live in? Is it the federal government's fault if people do not want to invest money? Does the fault for Canada's political instability lie only with the federal government? We have been hearing about separation for 30 years. Is the federal government to blame for that?

Last year, we had the highest economic growth among developed countries. Is that a sign of bankruptcy? Is the member completely cut off from the global environment and completely oblivious to what is happening in other countries? Does he ever make comparisons? Statistics and international reports the world over clearly indicate that we are a very good country. But we do have a political instability problem, precisely because of their ideas.

• (1545)

As soon as they muster enough courage, instead of making policy shifts often enough to make heads spin, they should put the question clearly and squarely as to whether Quebecers feel like separating. Then, we could truly get rid of the millstone we have round our neck because of the separatists and, of course, still improve our situation.

When the hon. member says that Canada is bankrupt, he is not aware of all the prestigious positions we hold in the international community at all levels.

I would ask my hon. colleague to take that into consideration. I know he came here at the same time as I did, almost 11 years ago. Since he has had the chance to travel to most corners of the world, if he tried to remember the countries he visited and what he heard in his parliamentary travels, he would surely agree with me.

The Acting Speaker (Mr. Kilger): There is barely two minutes left for questions and comments.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, after listening to the last few comments of the hon. member, I cannot resist asking a question.

When we travel abroad, we are frequently asked why Quebecers, with all their potential, have not yet decided to withdraw from the Canadian federation to be more independent like they are in Denmark, Norway, or Sweden. People in those countries control their own development, they know they pay taxes to only one government, and they can easily understand the reasons why they elect representatives.

Let me conclude by saying that, just like members opposite, we have been elected by Quebecers. When we are told that we have not accomplished anything, I have to remind the hon. members that, in a period of two years, the Bloc was elected, which was an obvious sign that something is wrong with the Canadian federation, and a sovereignist government was elected in Quebec. If the federal Parliament cannot grasp that message sent by Quebecers, it must be because it is beyond reform.

Mr. Gagliano: Mr. Speaker, like the hon. member just said, I am proud to be a Quebecer, because Quebec is a modern society with a wealth of resources, and a society that is well recognized throughout the world.

Since Quebec has been able to develop and come of age inside the Canadian federation, why should it sever its links with Canada? If it remains a part of Canada, as I am sure it will, Quebec will be able to go on with its development and have all its many talents recognized. If everything is so fine, why bring to a halt such a valuable experience, which is the envy of the world and which everybody would like to share in?

Mr. Speaker, even the hon. members opposite give good reasons why Quebec should remain a part of Canada. If the hon. member could ask the question, I am sure the answer would be that Quebec will indeed remain part of Canada.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I listened carefully to what my hon. colleague for Saint-Léonard, in eastern Montreal, had to say and I am always flabbergasted to hear him speak as if he built this country and almost as if he were the father of our vast and beautiful country.

Earlier, we realized that it is almost pointless for us to make the demands mentioned in the motion before the House. The partisan determination shown by our colleagues opposite indicated early on that our efforts would be useless, that their minds were made up and that, even if we argued all night, it would not do us any good.

Since I have nothing better to do then, I will try to disprove the nonsense uttered by the hon. member for Saint-Léonard. I want to give him a brief lesson in history. It would not hurt the hon. member for Edmonton Southwest to listen, since his knowledge of the history of Canada also seems kind of lacking.

Towards the end of the last century, while 2 million Quebecers, about to starve to death, were forced to leave their country to go to work in the New England cotton mills, the Canadian government sent for Eastern Europeans to settle in western Canada. It gave them land, work animals, horses, chickens, the right to cut timber to build their houses and a lot of other things, and 50 per cent of these expenses were paid for by the people of Canada, half of which then was paid by Quebec. That is what they called profitable federalism. It remained a profitable enterprise for a long time, but it had been even more profitable in 1840, when the Union Act was signed. At that time, Quebec formed the majority within that famous union.

• (1550)

Our ancestors, not very well educated individuals who had been pretty badly treated less than 100 years before by the invaders who had come to strip them of everything they had, used the old sock. They stashed away their savings, they did not get into debt. The villages were not in debt. Quebec was not in debt at the time. But Ontario, which was a hive of activity, had to borrow large amounts of money in order to build infrastructures for its towns. All the lines were blurred. The two debts were not kept separate, with the result that the people of Quebec had to pay over half the debt of Ontario, to the exclusive benefit of the latter. This is yet another example the so-called profitable federalism, as the Liberals see it.

I would say to the member for Bonaventure—Îles-de-la-Madeleine that the Gaspé Peninsula, where I was born, lost most of its inhabitants at that time. The member must have, like me, one or perhaps many ancestors who were forced to leave for the United States because they could not make a living in this so-called great country. So I find it hard to listen to people who have been here for something like 20 years say that they helped build this country. I am willing, of course, to acknowledge their qualities, their contributions, but many of them profited a lot more from Canada than our ancestors did 250 and 300 years ago.

And it boils down to the fact that we have rights in this country and that we want them to be respected, that is all.

A lot has gone on here. A member of the Reform Party just told me that, after 18 months, he has discovered that we are alike. Frankly, I find that almost insulting. I resent it. Reform members are in favour of the death penalty, "Hang them quick and do not waste too much rope, and then next, please". That is the philosophy of the Reform Party. Fill up our prisons with whoever had the nerve to insult someone else. That is the right–wing policy of the Reform Party.

I even heard a Reform member say in this House: "My children are not educated, I forbid them to get an education. It is my belief and I adhere to it". But if Canada needs an ambassador, that member is frustrated that the government will not give the job to his son whom he refused to send to school. That is the Reform philosophy. It seems to be quite popular in that region because there are quite a few of them in this House. It is something that I heard here.

Anyway, Quebec is asking the federal government today for a certain sum of money for the natives in the James Bay area. It is time for the federal government to show off, as it has always done. When it came to paying $279 million to give a school board to a particular ethnic group in western Canada in order to show the greatness of Canada and of multiculturalism, it did not cut corners. It came up with the money. And when members of the same ethnic group in Toronto asked the government to give them the same thing it had given their friends in Vancouver, it obliged. It did not matter if the cost was $250 or $300 million, the government found the money. Quebecers did not complain in those days. On the contrary, 74 out of this gang of 75 chose to vote for those expenditures, in order to buy peace I guess.

One thing leading to another, we ended up with a $550 billion debt. I wonder if Canada will not follow in the footsteps of Dow Corning, the breast implant manufacturer, and file under our Bankruptcy Act pretty soon. We are asking to be paid for the services we have delivered to native people for which the federal government is legally responsible. We gave them the same education we gave young Quebecers who lived in the area. I suppose it was a good education.

• (1555)

Now the time has come to pay the bill but the federal government is shirking its responsibilities. It is a bit like the guy who goes to eat in a restaurant, pretends he is going to the washroom after he finishes his meal, exits through the back door and avoids the bill. That is what the government is doing right now, or it looks like it.

Why not face up to a situation that exists and that deserves to be dealt with, not because it concerns Quebec but because it is a matter of justice. There was an agreement. The Minister of Interdepartmental Affairs wants to refer this issue to committees and to government officials, all that for a total claim of $333 million. Yet, it took the government only 20 minutes to free up $20 million for the Winnipeg arena. Things did not drag on in this case.

An hon. member: Not for the Jets. For the arena.

Mr. Lebel: For the Winnipeg Power Jets.

An hon. member: The jet set.

Mr. Lebel: Yes. The Power jet set. In this case, they found $20 million just like that. So, it is not so difficult to find $20 million. But when ask for five, six, even seven years to resolve the problem in Quebec, to settle Quebec's legitimate claims, they politely refer us to their civil servants. Even a Jesuit—and God knows that Jesuits are supposed to know everything—would lose his way in this complex maze of negotiations.

I listened to the member for Saint–Léonard who praised this great country where civic rights and freedoms are recognized and respected. I will merely remind him of the 1970 War Measures Act, the patriation of the Constitution in 1982, the spying on political parties which was thought to have ceased in 1970, although it was recently discovered that members of the Reform Party are still being spied on, and the same probably goes for us as well.

These are the freedoms referred to by the member for Saint–Léonard. Some also spoke of transparency. I nearly choked. Transparency! As if the Pearson deal was transparent. A man named Nixon—we were not the ones who chose him—studied the famous Pearson deal. His conclusions were that there was something fishy. He recommended to the Prime Minister that an inquiry be conducted in this matter.

I remember the Minister of Transport answering my questions in this Chamber, saying: "Come on! Let us move forward. We do know that some individuals tried to take advantage of it". He could not deny it, the Nixon report said so, but he was saying: "Let us move forward, and quickly. Let us settle this whole matter. It will cost a maximum of $25 million".

We can see how high the stack of bills is now. It is estimated that claims of all kinds for breach of contract will total $450 million, and there are more to come. And yet, we demanded, we asked for a royal commission to get to the bottom of this. But no, it was urgent to proceed quickly and settle the whole thing, regardless of the cost. What openness! Examples of this kind of openness are legion. The heritage minister was not being very open while lunching in a room next to the one where the fate of the Canadian film industry was probably being decided.

Once again, he lacked openness. This is another example of openness. For the first time, a CRTC decision is being reviewed, at the request of the cabinet; by a strange coincidence, which, I know, has a hand in a lot of things, it involves close relatives of the Prime Minister, who stand to gain a lot. This is happening in

this great country which is so dear to the member for Saint–Léonard as are the underlying principles of federalism he described.

• (1600)

I could perhaps talk about the underlying principles of federalism. They are nothing to write home about. Such noble principles.

I remember reading, not too long ago, that when we joined this country in 1867, about 50 per cent of the population was French speaking in all four provinces and 50 per cent, English speaking. At the time, we paid 300,000 pounds sterling to buy the Northwest Territories, Rupert's Land, which today is Manitoba, Saskatchewan and Alberta up to the Rockies. We bought that from the Hudson's Bay Company for 300,000 pounds sterling at the time. Do not ask me how much it would be today, probably as much as the national debt.

It remains that 50 per cent of the people who paid for that were Quebecers, and they gave it away, for nothing, to those who developed western Canada. Now they are telling us that we are crybabies, that we are constantly asking for things we have no right to. No matter what the hon. member for Bonaventure—Îles–de–la–Madeleine might think, we paid for western Canada.

If he wants to make some gifts, he should pay for them with his own money, not with other people's money.

He said that people would give everything to live in this country of ours. Yet, after the Minister of Immigration announced he would be charging $900 to those who apply for immigrant status, there was an uproar. People do not want to pay even that much to come here. They think it is starting to be a bit pricey. When making speeches we sometimes say things which are far removed from reality. He almost said, at the end of his speech, that we were pretty lucky to be part of the G–7. For us, being part of the G–7 is as bad as being part of the Winnipeg Jets.

Ross Perot said, in the United States, that we were beggars on horse back, that we had no business being in the G–7, given our structure, our wealth, our economic activity; that the only reason we were there is because the Americans needed our vote to support them, to support their proposals. It is for that reason that they put pressure on to get us in the game. However, we are part of the G–7. When we compare ourselves to the other member countries, we always come out seventh. Ross Perot said that we are there because of their goodwill.

Some people lack the judgment to realize that it was, indeed, a matter of charity. They see that as an honour. He said, as if he were the one who created it, that Canada was beautiful. I like to think that Canada was created by the Creator, not by the Liberal Party of Canada.

I could say that Liberals made much more nasty things than good ones. They should not try to take credit for the great accomplishments of the Creator.

That being said, I think that Quebec's claims are justified, that Quebec must go ahead with them and that all of us, in this House, will always insit that what is Caesar's be rendered unto Caesar. The money coming from Canadian and Quebec taxpayers ends up in the federal treasury. Thirty seven cents out of every dollar go to service the debt.

An hon. member: For the interests.

Mr. Lebel: Only the interests on the debt. So, there is not much coming back under various forms. But that is not a problem. When there is not enough to pay back, the government borrows some. That still works. But the next year, there is more money going towards the payment of interests on the debt, for instance. And the government travels around the world, especially in the G–7 bus, and it says: It is going well in Canada, everything is fine.

• (1605)

If it is going so well, why not respect its people? The natives in the James Bay area have received an education that is neither better nor worse than the one little Quebecers received in the same area. The teachers gave the same to both groups, who were often learning together in the same classroom.

Why would the federal government say today that it is not sure that they were taught exactly what it wanted them to learn? Why would the federal government say that it did not make a decision on the quality of teaching, the condition of buildings and school transportation and that it should have looked at all that before paying?

Considering how fast the federal government moves, little natives would be past university age and would still not have started school. The government is capable of ordering endless studies, and the more they cost, the more it orders them. What would our debt be if the Quebec government had not decided to act and had not stopped waiting so long for the federal government?

There was also the aboriginal Oka crisis in 1990. At that time, nothing was too good. Quebec was sending its provincial police officers and they were working overtime, seven days a week. They had to put out the fires. It was becoming urgent, especially since the federal government was quite involved in the situation there, because it was its fault if the natives were rising up about a territorial issue.

For almost 130 years, it had done nothing to understand them and to meet their needs. Again, when the time has come to pay the bill, it said that we should have submitted the menu served to policemen when they worked overtime—that maybe it would

have substituted an orange or a piece of carrot for the apple. The government is dodging and using delaying tactics, as the member for Saint–Léonard said, to flee through the back door.

In closing, I must say we have no lesson to learn from these people. They seem to have made it a point of honour not to respect their commitments. The few times they did were when their candidates were defeated and they promised them a safe riding the next time. These are about the only times when the Liberal Party really honoured its commitments.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I was really shocked to hear the hon. member for Chambly referring to this member for Saint–Léonard as someone who arrived in Canada some twenty years ago, as if I did not have the right to talk about or to defend Canadian values.

I know the hon. member and I am amazed that he not only said that but he even believed that. Though I was not born in Quebec, I nevertheless see myself as a real Quebecer and a real Canadian. I hope he will take time to think about what he said and that he will withdraw his words and change his thinking. I hope he just got carried away because what he just said is serious: it means there are two classes of citizens in Quebec, those who were born in Quebec and the others who were not.

If this is what the hon. member thinks, I hope he will have the courage to admit it. If that is not what he meant, he should clarify his thought and withdraw what he said. Such allegations are serious and it is not the first time it happens in that party. I hope, no, I am sure that Quebecers have always been generous people, they have always welcomed people from other countries and have treated them as their equals.

As I said earlier, I know the hon. member very well and I hope he just got carried away and that was not his real thinking.

• (1610)

Mr. Lebel: Mr. Speaker, I also know the hon. member for Saint–Léonard.

I remember that, not too long ago, during an opposition day like this one in this House, when we were talking about the proposed referendum in Quebec, the hon. member for Madawaska—Victoria told me: "So, as a francophone living outside Quebec, I do not have the right to participate in this debate". I told her that no, she did not, but that the hon. member for Saint–Léonard did, because he is a Quebecer.

If he is as honest as he claims, he will admit that I made that statement here in this House; you can even look it up in *Hansard*. No, that is not my intention. What I mean is that some members have the nerve to lecture us here today, telling us that they were the ones who built this country—at least that is how I understood it—because we Quebecers are just a bunch of "bums". That is what the hon. member from the Reform Party told us through his thinly veiled remarks. He suggested that we wanted money, that we wanted things, that we came here to get funds. That is what I meant. I meant that we francophones have been in Quebec for 450 years, that we also contributed to this country, that our contribution was at least as important as that of more recent immigrants to Canada. That is what I meant, as the hon. member for Saint–Léonard knows full well.

Indeed, there are none so deaf as those who will not hear. That is so true. Particularly in debates such as this one, it is common for some people to twist what others have said. I am saying that Quebecers who have been here in North America for more than 400 to 450 years on average also have the right to speak up, to decide whether or not they were wronged in the past and whether or not they paid more than their fair share, and to demand that it not happen again. That is what the hon. member for Saint–Léonard should have understood, and I know that, despite his Mediterranean accent, he understands very well the French spoken here. That is to his credit, and I commend him.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I do not know where to start following the remarks made by the hon. member opposite.

It is really a shame that, once again, qualifications are made as to who is a Canadian and who is not, who can live in Quebec and who cannot.

It takes some gall to say that we are concerned only with those who settled here some 350, 400 years ago. I find it despicable that the hon. member of the opposition could claim that newcomers to Canada, and Quebec in particular, did not do well or contribute to the economic development of my province.

We must recognize one thing, Mr. Speaker, and that is that ours is a country built on immigration. And the first to settle this land were, to use the terms of the opposition motion, the aboriginals. They are the real, original settlers. Next in line are the French Canadians, Canadians of French descent, the Bretons, the Scots, the Irish, the British and the Loyalists. Then people from other countries came to Canada and Quebec, and put their talents to good use in our country.

In fact, if the hon. member of the opposition cared to check in his own ranks, he would realize that there are members who are not old stock Quebecers in his own party. There are newcomers, new Quebecers, not only within the Bloc Quebecois but also within the Quebec government. Are they not real Quebecers? I would like him to tell me.

All we are asking the hon. member of the opposition to do is to apologize formally in this House and withdraw his remarks. I think that the honourable man he is will recognize that the hon. member for Saint–Leonard and other newcomers, so to speak, people who left their country of origin to settle in Canada, have made an outstanding contribution to this country.

• (1615)

I personally have a great deal of respect for every newcomer who was admitted to Canada, who has elected to make Canada his or her home, to contribute to its development. One even had the qualifications and the courage to go before his peers and get elected, becoming a full–fledged member of the House of Commons. This gentleman was even appointed to cabinet. That is why I am proud to be a Canadian: I can see that, among us, there are people from various ethnic backgrounds, who are the pride and glory of this country.

So, I ask that the hon. member of the opposition withdraw his remarks on newcomers to Canada, nothing less.

Mr. Lebel: Mr. Speaker, it looks as if the hon. member for Bonaventure—Îles–de–la–Madeleine were dancing the cha–cha–cha in swinging doors. First, I never said that. I never allowed myself to decide who is a Canadian and who is not—and I never will. I will only say that I am not one.

I never said who was a Quebecer and who was not. René Lévesque—a man whom I really appreciated and who came from a Gaspe community close to that of the hon. member who just spoke—once said something with which I fully agree, namely that Quebecers were those who lived in Quebec, regardless of their origin. Quebecers are those who want to live in Quebec. As for myself, it was never my intention to insinuate, either directly or indirectly, anything to the contrary.

If the hon. member wants to do politics on that issue for 10 or 15 minutes, fine. I do not have to apologize to anyone because I did not insult anyone. However, I did want to point out to the hon. member for Saint–Léonard that he has my admiration and my respect. He knows that I was not referring to him and I think he understood it full well. Again, I want to convey to him my admiration, and that also goes for his family. That being said, I do not make apologies. The hon. member for Saint–Léonard has all my respect.

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, you will understand that, before coming to the heart of the matter, I would like to join the hon. member for Saint–Léonard and the hon. member for Bonaventure—Îles–de–la–Madeleine in denouncing the remarks made by the member from the official opposition, as well as explaining my feeling of dismay—to put it mildly. These remarks are totally inconsistent with the values we have developed in this country, the values we share and the values we have in Quebec. The transcript will bear witness to this.

I must say that, in addition to his personal attack on my colleague, the opposition member took on aboriginal people as well, saying that they were studying only because education was free. There was something fundamentally contemptuous in these remarks. They reflect the official opposition's deeply held feelings of contempt, a state of mind disrespectful of people and even more of the values they share.

In that sense, you will understand that I join my two colleagues in asking, as a Quebecer, that the official opposition member withdraw his words that I find unfortunate, to say the least. That being said, I will now address the issue raised in the official opposition motion.

• (1620)

Anybody who cares to examine the wording of this motion, let alone its substance, will realize that, once again, the people opposite are basically trying to sell us a bill of goods. They are trying to pull the wool over Quebecers' eyes. That same attitude permeates all their policies. That can be said of the Bloc Quebecois, but also, and even more so, of its head office.

Speaking of not being able to rise above petty politics, we can find superb examples not across the way, but with the Quebec government itself, a government whose concern ought to be to look after the interests of the people. This is a serious matter. What is at stake is the interests of citizens who put their confidence in a government, thinking that it would try to build a better society.

Among the most telling examples of the partisan attitude they cannot shed, I should mention the finance minister's budget. It is a real gem. When you resort to such an important instrument, something so essential in any society, to engage in crass political propaganda, something is really wrong.

Speaking to reporters, Mr. Campeau casually dropped these remarks: "If you vote on the right side at the referendum, we may well live in an ideal world, and there will not be any tax increase. It will be some kind of Garden of Eden". Such statements are a serious matter, coming as they do from the Minister of Finance of Quebec. Instead of indulging in petty politics, talking about the referendum, and trying to take Quebec out of Canada, he should be working hand in hand with the federal Minister of Finance in a responsible way to build a better society, a society our children will be proud of, if only we can tackle the real problems we were elected to settle.

Let us take the issues mentioned in this motion. They are serious issues. When I say that these issues are serious ones, I hear members of the official opposition commenting, a big smile on their face, because they do not really care about these fundamental and contentious issues. When we talk about the demands made by a province, it is important. It is also important for us, the federal government, to seriously consider the de-

mands, to treat them fairly and, as the Minister of Intergovernmental Affairs said, to act responsibly.

I must say that I have a lot of trouble understanding all the animosity and fury with which the official opposition is tackling these serious issues, because on this side of the House, as the Minister of Intergovernmental Affairs pointed out earlier, we are doing everything we can to ensure that the decisions are made as soon as possible and in all fairness to Quebec and all of Canada.

Since I do not seem to understand, would the official opposition tell me if they would like us to pay without looking at the bills, without checking if it is our duty as federal government to pay for these expenditures? I sincerely doubt, Mr. Speaker, that that is what the people in all the provinces expect from the federal government. What we expect is a federal government which does not waste the taxpayers' money and has a good hold on the purse strings, and that is exactly what we are doing.

• (1625)

In fact, not very well hidden behind this motion is a pre–referendum political strategy. The official opposition wants to create a smoke screen. It wants the people in Quebec to rise to the bait. I think these members are basically scornful, and I am weighing my words.

The three serious issues mentioned in the motion are being used for partisan purposes, for referendum purposes. I must say that I do not agree with that and I do not understand anything any more. They are trying to lay down a smoke screen, but this is of course premature. It is premature because, as we all know, the government has not made a decision yet. On the contrary, it is putting in place a procedure by which it will judge each claim on its merits. Also, instead of waiting for the process to end, the Bloc is trying to turn these fundamental claims of the people of Quebec into a purely political question.

This proves that the Bloc does do not have the interests of Quebecers at heart, but that it is only interested in its own agenda, which is, at the risk of repeating myself, essentially the separation of Quebec.

I believe that Bloc members should sincerely listen to Quebecers. As I often say in this House, we were elected democratically. We were elected for the promises we made to Canadians. It goes without saying that the members across the way are not fulfilling their promises. The government of Quebec is not listening to the people. We were elected because we promised that we would rebuild people's trust in government, that we would have an honest government. We were elected because we said we would deliver, because we said we would tackle the real problems. They elected us because we promised them we would be a basically responsible government. We were elected because people trusted us not to throw their money out the window. And I must say that the people of Quebec want exactly the same thing.

I must also say that, by laying down a smoke screen, the Official Opposition will not succeed in making us react in an untimely or hasty way. On the contrary. In the best interests of the people, the best interests of Quebecers, we will follow a fair process to make sure that the hard earned money of the taxpayers of Quebec and Canada is well managed. We will certainly not fall into the trap set by the official opposition.

Speaking about good government and what the people expect from their provincial and federal governments, I would be remiss if I did not say a few words about intergovernmental co–operation. People elected us to solve the debt and deficit problem, create jobs, restore economic growth, help Canada carve out a place in the new global economy, and develop a labour force of which our country could be proud, which would attract new companies and make Canada competitive not just nationally but internationally as well. Co–operation is the key to all of this.

• (1630)

How can this co–operation exist when you have on the other side of the House and in Quebec—and it is unfortunate—a government which does not want the system to work? We do not have to go very far to find some rather striking illustrations.

Let us take, for example, the last visit of the minister from Quebec who came to Ottawa to meet with the Minister of Intergovernmental Affairs. Quebecers have to wonder if the minister came to Ottawa to solve problems or to create problems.

When we see the attitude of the members opposite and the attitude of the Quebec government and the minister who just met with our friend, the Minister of Intergovernmental Affairs, I think that the answer cannot be any clearer. But the answer is also unfortunate because the actions of the Quebec government are far from being constructive. It is obvious that these actions are very prejudicial not only to Quebec and Canada today, but also to the future generations.

I have visited Quebec extensively these past few months, I have talked to Quebecers and I can tell you that they are sick and tired of these endless debates. They are really sick and tired of seeing a government in Quebec that is taking steps but in the wrong direction. People want increased co–operation, they want a constructive partnership, they want fiscal consolidation. These are all reasons for us to all sit down together and try to solve these problems as soon as possible so we can start building our economy and create jobs.

When I talk about misleading the people of Quebec, let us think about what happened eight months ago, when Quebecers placed their trust in a provincial political party which, you will remember, spoke of the other way to govern. It reminds me of a federal political party that spoke of the real power. According to the people I met, when they chose the other way to govern, they

wanted a responsible government, a government which creates jobs, a government which is interested in what they have to say.

Well, let us see what this other way to govern in Quebec turned out to be. It is simply a government that governs with its eyes closed and its ears plugged and with only one thing in mind: to achieve its own agenda. And everybody knows that the agenda is the separation of Quebec. It is just unbelievable. This reflects a lack of the most elementary respect for the public and is a denial of the mandate they received from the electorate.

• (1635)

They are trying to give the impression in Quebec that there is something terribly wrong with the present federal system and that some problems cannot be overcome within that system. Of course, if you listen to them, you cannot get anything done within the present system. I say that, if you are prepared to work within the system, in good faith, there is much that can be done.

If governments could get together for two seconds, there are some extraordinary things we could do in Canada today to help this country enter the new era of free trade and maintain its position internationally. There are some eloquent examples of this. When we talk about the real problems, those people on the other side of the House start shouting because they do not want to hear the truth. They do not want us to tell the people of Quebec that they are not acting in the interests of Quebecers.

That is why you hear them shout like that when we, Liberals from Quebec who were elected as well, take the floor. Of course they do not see us as Quebecers because we do not share their philosophy, but we were elected in Quebec, and I am a proud Quebecer, and I believe that if we do a good job we can build a better and in fact exceptional Quebec and Canada.

There are some outstanding examples like the immigration agreement, the agreement on interprovincial trade and the agreements concerning la Francophonie. Finally, there is a lot more we could do, but wasting our time on motions like the one before the House today is not going to help us work in the best interests of Quebecers and Canada.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, first off, I would like to call the hon. member for Outremont to order, because he accused the hon. member for Chambly of saying something that he did not say. I would also like to call the hon. member for Bonaventure—Îles-de-la-Madeleine to order for doing the same thing.

I think we have a good example of how members opposite play politics when they put words in the mouths of my Bloc Quebecois colleagues. I simply wanted to say this for the record. What they said about my colleague for Chambly is entirely untrue.

He also accused the Government of Quebec of shirking its responsibilities. I would call that sticking his nose into other people's business. We all know that the federal Liberal members from Quebec are not in the least bit, not even the tiniest bit, interested in the Government of Quebec. They are much more interested in making sure that Ottawa will control, manage and centralize everything. Because that is their outlook, they could care less about what is going on in Quebec right now. They have never had great faith in provincial governments, at any rate. For them, the only government, the only power in Canada, is the Canadian government.

Forcibly, they can only consider the provinces as managers of sorts. They confirmed this in the Charlottetown accord when they gave all of the power to Ottawa and the right to administer to the provinces. That is why this accord was flatly rejected. They claimed that they were decentralizing and giving the provinces the opportunity to manage or administer things. That is not what Quebec wants. Quebec wants powers, not just the opportunity to administer. And that is not just my message, not just the Bloc Quebecois' message, it is the message of the Commission on the Political and Constitutional Future of Quebec, the Bélanger–Campeau Commission.

• (1640)

The Bélanger–Campeau Commission sure was a big production, one of the biggest since Confederation. Altogether, they received 600 briefs, heard 205 witnesses while 55 experts were studying the issue. They concluded that for Quebec's well-being, it had to be given at least 20 real powers, for example, education, tourism, economic development.

And the federal government, with the support of the Liberals, hatched a proposal which purportedly met all of Quebec's aspirations. What hypocrisy!

Charlottetown gave Ottawa even more powers, and Quebec, even more administration. They treated Quebec as if it were a province like any other, with no particular status and nothing distinct about it at all. Now, they butt in and would have us believe that the Quebec Minister of Finance, Mr. Campeau, the eminent Quebecer who co-chaired the Bélanger–Campeau Commission, is botching his job. That complaint probably came from one disgruntled voter in Outremont.

And they are absolutely right when they say that we are playing politics when we say that Quebecers will pay more taxes if they do not vote for sovereignty. The federal Minister of Finance decided to wait before adding to the Quebec tax burden. He will hit Quebec next year only. Yes, we are in for it, and we will end up sending our tax money to Ottawa, and the federal government will skim a good billion from it before shipping it back to Quebec. And it is very clear that, once again, the Government of Quebec will be caught in the squeeze to some

extent, because the federal government fails to live up to its responsibility to give us back the money we send to Ottawa through our taxes. It gives us back less than we gave. It promised to keep paying. It made such promises. However, it does not keep them.

So in all likelihood the Minister of Finance of Quebec will have to raise taxes, because the federal government does not assume its responsibilities, pure and simple.

There was talk of jobs earlier. When it comes to jobs, we know that the job problem in Quebec is the federal government's problem. As I mentioned earlier in my speech, the federal government talks of political uncertainty, but political uncertainty does not take away jobs, economic uncertainty does. Top American experts, economists, American business people say so: they could not care less about politics when they are looking to invest in Canada. They say: "The reason we do not invest in Canada is because of its economic instability". This economic instability is the federal government's doing, as everyone knows. The Bélanger–Campeau commission report said so, and it was approved.

So this fine speech by the member for Outremont seems completely out of date to me. He did not understand. He really has not grasped what is happening in Quebec. I do not know where he comes from, but he is not from the same place as the rest of us real Quebecers.

No, what I mean, really, is that the real Quebecers are those who understand Quebecers. That is what I wanted to say.

Mr. Cauchon: Mr. Speaker, we do not have to try too hard to rise above our colleagues today. I have just been told that I am not a real Quebecer. Come on. Let us have a little bit of respect for who we are, for the society we represent and the values we have in common.

They have just proved that I was right when I said that they do not consider me a true Quebecers because I do not think as they do. They just said it, it is as simple as that.

To get back to the member's comments, I will be kind and say that remarks verging on demagogy, such as what we just heard, do not deserve a response.

• (1645)

However, on the subject of commissions—the Bélanger–Campeau commission was mentioned—I will say that the PQ regional commissions throughout Quebec were a clear example of democracy being stifled. The commissions were created with the idea that they were to draw the conclusion the PQ wanted to see, namely that Quebec must separate, but in the end it realized that this was not what people talked about. People reminded the commissions that what they wanted the government to do was to rethink the role of government, deal with the economy and create jobs. But, despite this reality in Quebec and throughout Canada, the PQ regional commissions offered in their conclusion solutions and recommendations which have nothing to do with the testimony they heard.

When it comes to commissions, I believe that the PQ national commission is a telling example of a government which refuses to listen to the people, which wants to manage, to rule, and to govern with only one idea in mind. And we all know what that is.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, it is a pleasure to reply to my colleague, the member for Outremont. I know you will not allow me to say that 75 per cent of his comments were absolute lies, because I cannot say that, but I will say that 25 per cent of what he said is somehow related to truth and reality.

I would like to reply on one point in particular. He spent a good part of his presentation discrediting the Parti Quebecois government. He said that if all these issues before us, the issues mentioned in the motion, are not solved, it is because there is a separatist government in Quebec. The member for Outremont devoted a good portion of his speech to that point.

The Parti Quebecois government has been in place for six months. In Ottawa, the Liberal government has been in office for a year and a half now. Why did they not settle these issues when they were dealing with obedient federalists, ready to accept any kind of compromise to come to an agreement with the federal government? They had one full year to settle issues that have been dragging on for ten years. They did nothing. It is easy to see that the member for Outremont is taking us for a ride. Does he really think Quebecers are all that gullible? He is trying to delude us. He has lost all credibility in my view. He should have chosen to face reality, talk specifically to the motion and demand that his government find solutions to problems that have been dragging on for ten years, as I said before.

Mr. Cauchon: Mr. Speaker, earlier, during my short speech, I explained quite thoroughly how the federal government deals with the claims. The public understands very well that we are acting as a responsible government. So I am sure you see why I will not reply to comments that seem to come from someone who was not even here during my speech.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I always wondered what Pontius Pilate looked like in the praetorium. I think we saw that this afternoon. I will say no more.

We heard the hon. member making groundless accusations against us when he ought to have been defending Quebec. We are politicians in the House and our actions are political. We do not have to be ashamed of it, since we are paid for that. The hon. member boasts about the integrity of his government. It is not because one says that one is honest that one is, but because one acts honestly.

• (1650)

It is true that the population elected Liberals. Very often, it is because people did not have a real choice. When people had one, in Quebec, they elected the members of the Bloc Quebecois.

Mr. Gagnon: Not everywhere.

Mrs. Tremblay (Rimouski—Témiscouata): No, but they did have a choice. Sometimes, they had no choice, so they elected Liberals.

What is important is the fact that this government has done absolutely nothing since it took office. That is why it is so popular. When one does nothing, one is not open to criticism.

This government has simply introduced in the House the legislation the Conservative government left behind. Once the Liberals introduced these Conservative bills, they had nothing else to propose.

One thing should be important for them. They have a new member who comes from Quebec and, as my colleague for Mégantic—Compton—Stanstead reminded us, the federalists had one full year to resolve the problem with the federalists in Quebec. Now, the population was misled by the hon. member for Outremont who barely mentioned what the whole issue was about. I would like to give the facts about the issue before us.

First, the motion. What does the motion tabled this morning by my colleague say? It says: "That this House deplore the federal government's delay in responding to Quebec's demands with regard to the education of young Aboriginals in Northern Quebec amounting to $199 million, to the compensation of $135 million under the 1991–92 stabilization program and to the $79 million claim for expenses incurred during the events at Oka in the summer of 1990".

That is to say the federal government owes Quebec $333 million.

An hon. member: That is not peanuts.

Mrs. Tremblay: That shows that this government which claims to be a good manager of public money is very bad at paying its bills. This government brags about reducing the deficit, but to do so, it shifts its problems to the provinces.

We had already noticed it in the last federal budget, when the federal government announced a cut in health and education transfer payments. Now the government has decided it will not pay the $333 million it owes Quebec. Yet, other provinces received a positive reply and even got back what was owed to them. Quebec has to wait once again, and the federal government even suggested that it should not expect much.

When Quebecers ask themselves who defends their interests in Ottawa, the answer is certainly not: the government of Jean Chrétien.

Since we cannot count on government members from Quebec to defend the interests of Quebecers, I will explain in simple words the grievances of Quebec regarding the payment of $333 million, which is owed to us, but which the federal government refuses to pay.

As the motion already mentions, there are three amounts of money at stake. I will explain the $79 million, incurred during the native crisis of the summer of 1990, which should have been paid back to Quebec under the financial support agreements in case of disaster.

• (1655)

Nobody can deny the fact that the summer of 1990 was a disaster in Quebec, in terms of what happened in Oka and, above all, of the federal government sending in the army to deal with a catastrophic situation. That is why these $79 million were spent by the Quebec Ministry of Public Security and by the Sûreté du Québec to maintain public order and protect the residents of the affected area.

The cause of the conflict was simply that a native group claimed to own the lands surrounding its territory. Natives are under federal jurisdiction. That is why the Canadian Army intervened in the Oka crisis.

Bill McKnight, then Minister of National Defence, told minister Claude Ryan, in a letter dated January 24, 1991, that is six months after the conflict ended: "The federal government has special responsibilities regarding the Indians". In that letter, he also made a firm commitment to the Quebec government: "In addition to the expenditures already approved, we will provide financial help to the province, in accordance with the guidelines on the implementation of disaster relief agreements".

This letter from the Minister of National Defence to the Quebec Minister of Public Security is as clear as it can be. The government admitted to having a disaster relief program and, therefore, it was obligated to reimburse Quebec's expenditures.

In 1992, the government wanted to show what a good player it was, so it admitted owing Quebec $84 million and that it would give $5 million to the province, an action by which we think the federal government indeed recognized its responsibility in this issue. It still owes us $79 million. Why did the federal government change its mind afterwards? Why is it now refusing to recognize its responsibilities?

The government used faulty reasoning to avoid paying. Let us look at three of its reasons. First, it claimed it was making a distinction between public order, that was supposedly in jeopardy, and public well–being, that was not. These are the sorts of nuances that the government is capable of invoking. Beyond the fact that this distinction does not appear anywhere in the disaster financial assistance arrangements, it is obvious that public well–being was threatened by this crisis that affected all Quebecers.

Second, there was political interference in this issue. Indeed, it seems that the decision not to reimburse the expenses incurred by the Sûreté du Québec was taken in 1992 by the Treasury Board of Canada, despite an opinion given by its own experts and the Office of the Auditor General, who had recognized that at least a part of these expenses qualified.

So, how can it be claimed, as the minister did the other day, that someone refused to open the books? If the Office of the Auditor General has already recognized that at least a part of these expenses ought to be reimbursed, someone must have looked at the books at some point.

Third, the federal government gave as its criterion for refusing the amounts of money involved. The hon. member for Bonaventure—Îles–de–la–Madeleine used this argument this morning. Yet, the objective of the program is to help provinces or territories to face a disaster the costs of which would be an excessive burden on them. To accept the federal government's claims is to not only go against the spirit of the financial assistance program, but also to create a dangerous precedent.

• (1700)

If we follow this reasoning, the federal government could decide to stop paying old age pensions or UI benefits to Quebecers, simply because it would cost too much this year. In return, people would not pay their federal income tax, because they would feel it is too high. One can see how such fallacious arguments could lead us to disaster.

Let us be reasonable for a moment. There are laws and regulations providing for the payment of certain sums to Quebec under specific terms and conditions. Quebec citizens pay taxes to Ottawa and they have the right to recover part of them. Whether or not the Liberal government likes the legitimate government of Quebec or the official opposition should not be a factor. Our $79 million claim is only a matter of equity and fairness.

I will now move on to the $119 million the federal government owes Quebec for the education of young aboriginal people. It owes us this money under the James Bay agreement. In this case, the federal government seems more open, as it does not deny having responsibilities in this area. However, it refuses to pay, because these amounts were spent without a prior agreement between the federal government and the province.

Of course, the federal government does not appear eager to come to an agreement. It would then have had to pay its share. In this whole matter, the Quebec government acted in a perfectly responsible fashion. It acted like a reasonable man, as the saying goes. Instead of abandoning the aboriginal people to their fate, with no resources, to suffer from this wrangling between two levels of government, instead of closing schools for one, two or three years while this government negotiates an agreement, the Government of Quebec took its responsibilities, kept the schools open and kept young aboriginals in school, fulfilling its part of the bargain as well as that of the federal government.

And it is still waiting. The Quebec government has been waiting since 1986 for the federal government to pay back what it owes the province for paying both the federal and provincial share of expenditures. Now, if Quebec had decided to close schools, the federal government would have dragged the Quebec government all the way up to the Supreme Court of Canada and the aboriginals would have gone to the United Nations to complain about it. We took our responsibilities, Now, there are bills to settle.

I am baffled though. We have had consecutive governments, under Mr. Bourassa and Mr. Johnson for instance, that were federalist. Yet, and that is what amazes me, you were unable to come to an agreement among federalists and, as a result, the sovereignists now have to get up in this House to protect Quebec's interests.

Finally, there is this huge amount, $135 million, owed to Quebec by the federal government under the 1991–92 fiscal stabilization program. Liberal federalists in Quebec had already put in a claim for this amount when they were in power. The Minister of Labour could certainly brief the Prime Minister and the Minister of Intergovernmental Affairs on this issue.

As for the Minister of Finance, he flatly refuses to make any payment. Once again, the government is applying a double standard, since provinces much better off than Quebec—namely Ontario, Alberta and British Columbia—already received payments under the same program. In this case, as in the other two, the amounts to be paid should be based on objective criteria. Yet, the federal Minister of Finance refuses to go to arbitration and settle the issue without seeking to score political points. Instead, the minister suggested that the Quebec government take its case to the Federal Court, and eventually the Supreme Court. So much for the brilliant ideas of this government. The government owes us money, but tells us: Take the taxpayers' money. We will do the same. We will continue to pay lawyers and go to court, even though we are perfectly aware that, under the existing regulations and agreements, we owe you that money. Is this the finance minister's idea of flexible federalism and friendly

administrative arrangements? We can only conclude that, with friends like him, Quebec does not need enemies.

• (1705)

I am beginning to understand what government and federalist members mean by "flexible federalism". The expression refers to a vision of Canada whereby Quebec must always yield to Ottawa and English Canada. Let me simply tell you that the Bloc will never ask Quebecers to yield. Quebecers are proud. They want to take control of their destiny, and they will soon set up their own country, in the upcoming referendum, with or without those $333 million.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I listened carefully to the hon. member for Rimouski—Témiscouata while she kept hacking at federalism and the Canadian government. I would like to hear her criticize in the same way the threats made by the government of Quebec and its Minister of Education, Mr. Garon, to the university located in Rimouski, in her own riding.

Some people dare to accuse the Liberal members and to accuse me, the member for Bonaventure—Îles-de-la-Madeleine, an elected representative from grassroots Quebec, of not standing up for Quebec and my own area, and I find that totally unacceptable.

In my riding and in the vast majority of rural ridings in Quebec, people are mostly concerned about the economy. They are concerned about jobs. We are thinking about our future, but we know very well that the federal government, the Canadian government, is a worthy partner for us. I think the federal government has shown in the last few weeks or the last few months, in fact in the 18 months since it has been in office, that we want to get Canadians and Quebecers back to work. We set up an infrastructure program. In fact, the current government of Quebec is glad to use it. It is glad to show that it can get some of the workers in smaller localities in grassroots Quebec back to work.

By the way, on the native issue, I have not heard the hon. member say a word about their living conditions in Quebec and elsewhere in Canada. They did not tell us about how dismayed the whole world was when these unfortunate events happened in Quebec and what it did to the reputation of Quebec and Canada. True, I was not in Canada at the time, I was in Japan and, for a while, in France. But, believe me, all my friends, my associates and my acquaintances kept telling me about this problem with natives in Canada. And it saddened me to know that the government could not find a peaceful solution to the problem. But the Quebec government did call on the federal government for help. The premier of Quebec has the right to call on the Canadian army in a very difficult situation.

That is what happened. It is Quebec that asked for the army's involvement, not the Canadian government. The federal government spent $133 million to send in the army and the RCMP.

• (1710)

The Canadian government spends millions of dollars every year to maintain the peace elsewhere in the world and to ensure that other countries will follow Canada's example. But I do not want to digress. About the natives, it is the federal government which takes on the responsibility of creating a healthy economy at the local level for these people. We build houses and even cabins for them. We do everything to help them.

All we are asking of the government of Quebec is that it stop playing politics to the detriment of the most disadvantaged people. Everybody here knows that natives are not the most spoiled people in our country. Nevertheless, we hear the opposition and even some government members say that natives are treated differently. The claim that they are better treated than most Canadians is false. Suicide, alcoholism and all the social ills imaginable are more prevalent in aboriginal communities.

I grew up one kilometre away from an Indian reserve. And believe me when I say that I saw with my very eyes how these poor people were treated. People were reluctant to give them jobs, to let them play on their hockey teams or to welcome them in our French Catholic schools. Unfortunately, I think we all should examine our consciences.

Today's debate was an example of negotiations to come between a sovereign Quebec and Canada. We got stuck on tiny details: who owed who $333 million, $79 million, $125 million and for what, and how Quebec has been taken for a ride for the past 125 years. How will we ever manage to negotiate? Now I ask the people watching us on television, do you think that we will ever be able to orchestrate a separation if, today, all they could do was condemn the federal government for wrong-doing? And they want to divvy up the debt, and share our currency and passport? They just want to coast on Canada's prestige.

The opposition should be told to go back to the drawing board. This new approach they are proposing to Quebecers is utterly unacceptable. They should just ask the question once and for all: "Do you want to stay in Canada, yes or no?"

Mrs. Tremblay: Mr. Speaker, what is surprising about these Liberal members of Parliament opposite is that they try to distract people's attention and talk about any old thing. I spoke of three specific matters: the federal government's debt to Quebec of $333 million. We are not talking about peanuts, this is a lot of money for a people that needs every penny to grow and develop.

The Liberals call $333 million peanuts because they are used to wallowing in money with the Bronfmans and Power Corporation and because there are ministers in cabinet who are millionaires and who sail their boats under the Panamanian flag to avoid paying taxes in Canada.

The Acting Speaker (Mr. Kilger): Order, please. The hon. parliamentary secretary has risen on a point of order.

Mr. Gagnon: Mr. Speaker, the hon. member says I described $333 million as peanuts, what about the $2.5 billion we send to Quebec every year?

The Acting Speaker (Mr. Kilger): Order. With all due respect to my colleagues on both sides of the House, this was not a point of order, it was a matter of debate.

Mrs. Tremblay: Mr. Speaker, in 1985, the government of Mr. Lévesque was the first to sign an agreement with the native peoples. It was this government that went the farthest and that accorded the most to the native peoples in 1985.

In 1990, the October crisis unfortunately cast a shadow over relations between native peoples and the people of Quebec, perceptions changed.

• (1715)

This crisis arose, once again, because of the indecision of the government of the day, a Liberal and a federalist government, led once again by Mr. Bourassa. Both times the army moved into Quebec, Liberal federalists were in power.

The Acting Speaker (Mr. Kilger): It being 5.15 p.m., it is my duty pursuant to Standing Order 81 to interrupt proceedings and to put forthwith every question necessary to dispose of the business of supply.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the recorded division on the question now before the House stands deferred until Monday, May 29, at the usual time of adjournment, at which time the bells to call in the members will sound for not more than 15 minutes.

The chief government whip has the floor on a point of order.

Mr. Boudria: Mr. Speaker, I would request unanimous consent to further defer division until 5.30 p.m. Tuesday, May 30.

[*English*]

The Acting Speaker (Mr. Kilger): To be sure the House understands, the government whip has requested a further deferral of the vote to Tuesday, May 30 at 5.30 p.m. Is that agreed?

Some hon. members: Agreed.

Mr. Boudria: Mr. Speaker, perhaps you would find unanimous consent to commence private members' hour immediately, in other words consider it 5.30 p.m. and to do the same at the end of private members' hour, in other words finish 10 minutes ahead of time at the end.

The Acting Speaker (Mr. Kilger): Is there unanimous consent to proceed to private members' hour?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): It being 5.20 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

UNDERGROUND ECONOMY

Mr. Paul Szabo (Mississauga South, Lib.) moved:

That in the opinion of this House, the government should consider the following initiatives for addressing the underground economy:

(*a*) an enhanced information campaign to educate the public and to encourage their participation in addressing the problem;

(*b*) a limited amnesty on interest and penalties otherwise payable when a taxpayer voluntarily declares income previously undeclared;

(*c*) a tax credit to taxpayers on home improvements and renovations to provide an inducement to create the essential paper trail and to serve as one of the primary vehicles for the information campaign.

He said: Mr. Speaker, the underground economy materially and adversely affects the lives of all Canadians and literally costs us billions of dollars of revenue each year as a result. That is why I submitted Motion No. 382 to the House for consideration.

While the existence of the underground economy in Canada is an undisputed fact, estimates as to its size vary widely depend-

ing on the methodology employed to measure it. Estimates range from 2.5 per cent to 3 per cent of GDP to over 20 per cent of GDP; in dollar figures $20 billion up to $140 billion.

Even at the lower end of the range the revenue potential I believe warrants further initiatives to realize the potential and to contribute to the restoration of Canada's financial health.

There are good reasons why we should act now. As the finance minister has said, everything is on the table. It is imperative that moving forcefully on the underground economy be part of the overall strategy to meet our financial targets. Now that the economy is growing we must encourage as many people as possible to integrate back into the legitimate economy of the country.

The government currently has better tools to address the problem of tax evasion, but tax evaders are also becoming more sophisticated. Given this reality, it would be prudent to take advantage of new provincial information sharing and other initiatives before this new advantage is neutralized.

There are some general assumptions about the underground economy I would like to note. There is the premise that once you are underground it is very difficult to come out even if you wanted to. That is primarily because people who are working underground generally have offered arrangements and deals to their customers and clients substantially below the otherwise market price. That means customers come to depend on them.

In addition, once a taxpayer has evaded taxes and not reported that income and paid those taxes, there is interest and possibly penalties which grow over time and may grow to an amount which would be prohibitive as far as the taxpayer's being able to settle it.

Most of the underground economic activity is very difficult to detect because there is no paper trail, no invoice which would verify such activity. That is one of the aspects I hope to address with Motion No. 382.

Some of the arguments for dealing with the underground economy include the statement that if every Canadian paid their fair share we would all pay less. We must all do our part and fulfil our responsibilities and become part of the solution.

Since the recession clearly added to the underground economy these new additions are the people we have to get back before their dependency becomes irrevocable. I believe focused efforts on certain segments will be most successful but a general initiative should still have positive results because the first wave of results will come from reminding Canadians of their legal and moral obligations.

While the size of the underground economy is elusive, Canadians consider it large enough to warrant attention. There are a number of reasons people choose to participate in the underground economy.

The first and most fundamental is basic greed, people taking care of themselves at the expense of others. The second is a belief in the myth that everyone is doing it and nobody is getting hurt, which clearly is not the case. Some feel it is easy to get away with because we have an honour system in our tax system of declaring income. There also is a perception that no major effort is being made to stop it. Some would suggest the income tax system is too complex and too cumbersome to operate within. We have matters such as the level of respect for government and politicians. It is a problem in today's society.

• (1725)

The objectives of the strategy to address the underground economy generally include to recover revenue legally owing to Canadians, to encourage voluntary compliance and to protect the interests of honest taxpayers.

To educate Canadians on the facts about the seriousness of the underground economy and how we can help is extremely important. We need to demonstrate to Canadians the government is appropriately discharging its responsibilities in enforcing the law through tough but fair actions. We want to eliminate illegal activity which harms the Canadian economy and thus all Canadians.

Tax evasion compromises the government's ability to provide essential social and economic programs. It leads to unfair competition to honest businesses and it places an unfair burden on honest taxpayers.

I refer to the 1994 report of the auditor general in relation to the income tax system: "The success of the tax system depends ultimately on the public's willingness to meet its tax responsibilities through voluntary compliance. This willingness is fostered by showing respect for the taxpayers and gaining their confidence through a proper balance between facilitation and enforcement". Today I am tabling this motion and its proposals to address in part both of these aspects.

In the tax act there are consequences for failing to declare income, to report a tax return. I will outline them very briefly. If a taxpayer fails to file a return he or she can be subject to a penalty of 5 per cent of the tax unpaid. In addition, there is an interest charge of 1 per cent a month to a maximum of 12 per cent. Failure to report income can get up to a 10 per cent penalty on the income if the person were shown not to have reported income in the previous three years. In all these cases interest is compounded daily.

With regard to wilful tax evasion, the penalty prescribed is up to 50 per cent of the tax owing. If the individual is charged there can be an additional penalty ranging anywhere from an addition-

al 50 per cent up to 200 per cent of the tax plus imprisonment of up to five years. Needless to say these penalties are very extreme and reflect the seriousness of the problem of non–compliance with the Income Tax Act.

I do not suggest the government is not interested or not taking appropriate steps with the underground economy. Much to the contrary, I believe the motion compliments much of what the government is now doing.

As we all know, the government has entered into a number of provincial information sharing agreements to assist in detection, including joint audits, shared strategy and techniques and training. There have been increased investigations and audits, particularly in identified areas of high non–compliance. These include home renovations, construction, auto sales, restaurants and jewellery, as well as other service sectors.

The government has also embarked on a program of higher publicity of prosecutions. It also has found that as a result of this increased publicity the amount of voluntary disclosures has doubled. Each year Revenue Canada handles 15,000 leads or referrals as a result of its audit activity. It is working closely with the key stakeholders, with businesses, professionals and with the provinces to deal with tax evasion, the underground economy and smuggling.

To give an idea of the extent to which it has that co–operation, Revenue Canada has held consultations with more than 240 groups representing a wide range of industry sectors, including the Canadian Institute of Chartered Accountants, the Canadian Homebuilders Association, the Direct Sellers Association, the Canadian Jewellery Association, the Canadian Restaurant and Food Association, tourist associations and chambers of commerce.

These initiatives have helped to refine our strategies, identify areas of non–compliance and explore initiatives for improving that compliance. I believe that Motion No. 382 complements these initiatives by placing a greater emphasis on the role of the Canadian public.

• (1730)

I would like to suggest some general approaches which we can consider in addressing the underground economy. Certainly the information sharing agreements with the provinces will lead to enhanced opportunities for the traditional audit. The public, through an educational and information campaign should be assured that the agents of law enforcement will get appropriate support as well as become more effective. In fact in 1994–95 Revenue Canada's enforcement activities and its underground initiatives are expected to add an additional $3.8 billion to its tax assessment. Other approaches must concentrate on labour intensive sectors and other high probability areas, some of which I have already mentioned.

In launching a general information campaign to address the myth that everyone is doing it, we are going to go a long way in breaking the back of the underground economy. Most Canadians will think twice if they know there is a serious and substantial risk of being caught and that the consequences which I previously outlined are very serious.

Tax evasion is a crime. It is not a victimless crime, as often is argued. All Canadians are its victims because tax evasion leads to among other things job losses and an increase in the deficit. Honest taxpayers are carrying more of the burden of taxation. Legitimate businesses are operating in an environment of unfair competition, often leading to their bankruptcy. We must stress the theme that people who evade taxes are in fact cheating honest taxpayers, including the poor, the needy and the disadvantaged.

We need to publicize the number of investigations, leads and referrals which are received by Revenue Canada each year from Canadians who know tax evaders and are very concerned about the prevalence of tax evasion within our society. Many more Canadians would contact Revenue Canada if they only knew that those calls would be followed up. We must encourage and promote voluntary compliance as well as enlist the support of all Canadians. We have to ask them to just say no to tax evaders.

The preferred approach to non–compliance is voluntary disclosure and voluntary compliance. That is why this motion emphasizes public education and incentives for compliance rather than some aggressive measures which others may propose. The taxpayer must ultimately be treated fairly and with respect.

The underground economy permeates Canadian society for the benefit of some but to the detriment of all. Canadians must realize that underground economic activity makes victims of us all. Honest businesses are faced with unfair competition. There are job losses because many of those businesses go bankrupt. Health, education and other essential economic and social services must be reduced because of the reduced revenue. Honest taxpayers must pay more to make up for those who do not pay.

Most Canadians have been faced with an offer to pay cash for a lower price. What we do not realize is that to accept a deal from a disreputable service provider is not only to condone the crime but also to promote tax evasion. When someone offers a lower price for cash but no invoice, not only do we lose the revenue but the consumer also gives up needed protection.

In my experience we do get what we pay for. When we go underground to provide services, or particularly when consumers accept underground services, they can expect lower quality work and lower quality materials because those businesses do not have to comply and will not comply with the industry regulations. As well and most important, consumers do not get the protection and the guarantee they would otherwise have if

they had an authorized purchase order and/or an invoice. When the customer goes underground as well, he has no recourse and no protection.

This motion also asks the House to consider a couple of very specific initiatives.

• (1735)

Members should be aware that in the United States 25 states have at one point or another attempted to introduce or have introduced amnesties of sorts where tax evasion is a problem.

I am proposing a limited amnesty. It is not very specific in terms of its details, but is a limited amnesty of approximately a two or three month period on interest or penalties otherwise payable when a taxpayer voluntarily comes forward and discloses and reports income previously unreported. I would like to repeat that. The amnesty has to do with interest and penalties, not the taxes otherwise owing.

Phase two of the amnesty would implement an enhanced effort to crack down by engaging more investigators on a contract or commission basis possibly. This phase would continue as long as there is a favourable pay back.

With regard to ongoing efforts, we would report regularly to the public on the success of the program and consider an extension of the time frame as has been done with such things as gun amnesties. Our analysis of those who come forward will also provide information to the government which it can use to focus future efforts, thereby creating a ripple effect of the benefits.

This particular aspect of a limited amnesty is merely a suggestion which may or not have merit quite frankly. It is the kind of thing however I am hoping that the House will give due consideration to in committee.

The second specific new approach I proposed in this motion was an input tax credit. We must let the public know that when they patronize a supplier for the cash price without an invoice, they are actually condoning fraud. By refusing to do business with those who do not give invoices, they will become part of the solution.

After some work that I had done with the finance committee particularly with regard to the hearings on the GST, one of the facts that came out clearly throughout that process of public consultation was the extensive admission of underground activity in certain sectors. That was readily forthcoming, particularly because honest businesses represented by these associations and organizations were hurting. They were going bankrupt. We were losing jobs.

The construction industry particularly related to home renovations and improvements was found to have, based on the information from those associations, anywhere from 25 per cent to 40 per cent of its activity underground. That is over $1.5 billion to $2.4 billion. There is a substantial amount of tax revenue lost to the government because that business activity has not been reported by those businesses.

The proposal therefore states that as an inducement for the public to be part of the solution, we offer a tax credit possibly for the GST paid on home improvements or renovations. The taxpayer would be required to submit an original invoice or at least keep one available for a review should they be subject to audit and submit it as part of their tax return or by a separate filing.

The objective here is to create a real paper trail in an area of abuse with which most people are familiar. Their reward is a tax credit. Although that tax credit would reduce the revenues otherwise available to the government, it does mean that we generate reported income on which federal, provincial, corporate or business taxes are paid on which withholdings for payroll, health care and other source deductions that are matched by the government also would come into the system, thereby generating substantially more revenue.

This initiative would also I believe constitute an excellent vehicle through which to educate the public on the problem and to discourage generally under the table economic activity. Finally, this initiative is basically geared to help support honest businesses that are prepared to provide an invoice.

Consider someone who has been operating underground for sometime who approached a prospective customer. If that customer asked for an invoice, it is very likely that the business person would refuse to do the business simply because they would have to provide a piece of paper which would provide that essential audit trail and be a verification of the economic activity.

• (1740)

Initiatives like this may assist us in terms of dealing with the underground economy.

I have taken the opportunity to speak with members of all parties about the matter. I am finding across the House a very strong interest in this subject matter because of its importance to all Canadians.

I am not very concerned with regard to the specific initiatives. The ultimate objective is for the House to adopt this motion as a vehicle to bring the underground economy as an issue of importance to all Canadians to committee. Then together we can explore methods in which we can address one of Canada's most serious problems, the underground economy.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, I welcome this opportunity to speak to Motion No. 382 standing in the name of the hon. member for Mississauga South. When I read the motion and the accompanying material, I was pleasantly surprised by the hon. member's trenchant analysis in his short but very interesting paper. I must say he put his finger on a fundamental problem in Canada's tax system, and I am referring to the fact that a social contract between taxpayers,

individuals and even businesses and various levels of government has been broken.

This situation is so serious and so widespread, so deeply anchored in our day to day lives that recently, when the premier of Quebec, Mr. Jacques Parizeau, was buying furniture for his residence, he was asked by the salesman: "What do we do about the tax?" When we get to the point where even the Premier is asked whether the tax should go on the bill, the problem is fundamental and requires our full and undivided attention if we are to find a way to deal with the underground economy and the problems it creates for the tax system in Canada, Quebec and all the other provinces.

There are some very interesting ideas in the hon. member's document, and although the official opposition is not usually fulsome in its praise for Liberal members, and you must be aware of that, Mr. Speaker, when valid points are made, when we are offered an intelligent analysis of a problem, we are open to discussion, we are prepared to explore the best ways to deal with a situation, especially one that concerns public finances.

Consider the three suggestions the hon. member for Mississauga South explored in his motion. One is to inform the public. Many taxpayers are not aware of the impact of certain decisions or do not realize the overall impact of the decisions they make every day as consumers. Here is an example. Before the dollar dropped to 73 cents, when it was still 81 cents or 84 cents, people would tell us, and this was quite common: "Last week I went to the United States. I went shopping in the United States, because it was cheaper". That was not necessarily the case, but that is what they said. And those same people were mad as hell about the lack of jobs in Quebec and Canada.

The connection between what they do as consumers and what happens to the economy and employment is not always clear in people's minds. A campaign to educate the public about the underground economy and the impact of acts of civil disobedience, which is what we should call this today, might improve the situation in the future and make taxpayers more conscious of their obligation to contribute to the public treasury through their taxes.

The second suggestion made by the hon. member for Mississauga South also deserves our support.

• (1745)

A limited amnesty for income tax returns of previous years, not future years, should not encourage more people to evade taxes. On the other hand, a limited amnesty for the payment of interest and penalties on unreported incomes subject to federal or provincial income tax could encourage some people, who must feel ill at ease from time to time even if this practice is almost institutionalized, to pay what they owe. People may feel ill at ease by not fulfilling their civic duty to pay their normal share of taxes.

The third option suggested is also very interesting. Every one knows and talks about the fact, even if there are no comprehensive statistics about it, that renovation and construction is an area where the underground economy is flourishing. This is why a tax credit for tax payers who do some renovation could be an interesting idea to explore.

In short, the three proposals and the clearness of the analysis are such that we, as the official opposition, will support the proposal of the hon. member for Mississauga South because it is an intelligent and articulated proposal which deserves to be examined in depth by the standing committee on finance. I invite my colleague, who will have my support as a member of the committee of finance, to present his analysis and to suggest various options to the committee, as he did when he tabled his motion.

I also congratulate him for the clear thinking he shows on page 1 of his document when he says: "In the event of—this refers to the present context—cuts in social programs and a harsh budget—probably the last budget, and even the first one, both were hard on taxpayers, especially the poorest ones—the government will be blamed for not taking action in certain areas".

I congratulate him for having the courage to recognize that the context is very difficult due to the budget measures taken by the finance minister who is slashing transfer payments to the provinces for social assistance, post–secondary education and health, and is also taking, as of this year, $2.5 billion out of the unemployment insurance fund.

My colleague for Mississauga South has the sense to recognize that the government could be blamed for not acting in the areas where it should. He thinks along the same lines as we do.

For the past 15 months, as you know, we have been blaming the government for not taking action in certain areas—we seem to be exceedingly repetitive, but we will keep at it as long as it is not done.

First, when Revenue Canada is not given the necessary resources to collect unpaid taxes, which, over the years, have grown to $6.6 billion, according to the auditor general, and 75 per cent could be collected, in his estimation, with the proper resources, I agree with my colleague for Mississauga South, the government could be blamed for not taking action and for not immediately giving Revenue Canada the necessary resources to collect the amounts owing, amounts which are not even in question. We are not talking about avoiding taxes and the underground economy, we are talking about taxes that have not been paid because Revenue Canada does not have the resources to collect them. The government is to be blamed for this.

My colleague from Mississauga South said, and rightly so, that we are watching the goings on in government and that this is eroding our trust. Every day, we make new discoveries—so does the auditor general each year—regarding more wastage and lavish spending. We also are discovering places where the federal government failed to close tax loopholes. On this point, I agree with my colleague, who had the courage to say that his own government failed to do what it should have done.

They have to practice what they preach. When we see that people in government are still spending extravagantly and wasting money, for example, the trip to the United States for members of the Canadian armed forces for a rocket launching competition, holidays for diplomats at the taxpayers' expense, and when we see that the government just brushes these questions off, I think we must all admit that the government is sitting idly by, when it should be in action.

• (1750)

Let us look at compliance with tax laws. This issue has been in the news for the past two weeks. Once again, contraband cigarette shops are opening up all over the place. It is obvious and the government is not allocating the resources necessary to ensure compliance with tax laws.

Here again I agree with my colleague, the hon. member for Mississauga South. The government could be accused of not acting where it should. All this must be straightened out, as far as the tax system is concerned.

I am not talking only about the federal government, but all governments. Restore confidence, make the public aware of the consequences of not contributing adequately to the tax base, and give a good example. I think these are the essential ingredients to restore the social contract and to improve public finances.

I once again congratulate my colleague from Mississauga South. The official opposition will support his motion.

[*English*]

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to rise tonight to address Motion No. 382, which calls on the government to adopt initiatives to bring people out of the underground economy and back into the legitimate economy of this country.

The member for Mississauga South seems convinced that an enhanced information system campaign, a limited amnesty, and a home improvement tax credit will do just that. Here we have yet another Ottawa Liberal politician pushing for reactive legislation to a problem, which does not address the fundamental question of why people go underground in the first place. It is for reasons like high taxes and confusing, complex, and convoluted tax systems, GST administration and accounting costs and the list goes on.

To set the tone of my speech I would like to read a quote that was made by Alex Doulis, a very successful third generation Canadian who like many has simply packed up and left this county. He states: "I left Canada in 1989 because I began to feel powerless. I could not influence the direction of my life, which was increasingly in the hands of the Government of Canada, and the government was deaf. The problem with Canada is it has responsible government. I was giving them immense amounts of money and they used it to perpetuate their power so they didn't have to listen to me. They were responsible for me, but they did not have to represent me".

The current income tax system in Canada is outdated, overly complex, and overburdens Canadian taxpayers. Many people have lost respect for this system because they cannot understand it. They do not perceive it as fair and as a result they are quietly resisting paying taxes by both legal and illegal means.

The underground economy is evaluated at between $10 billion and $100 billion. High taxes stifle economic growth in every sector of our society, decreasing private sector productivity, increasing unemployment, and above all tempting governments to keep spending at current unsustainable levels.

That is why so many Canadians are angry at politicians and what politics and government have come to represent. For me personally, rhetoric, regulation, waste, and arrogance are just a few words that come to my mind when I think about the Liberal government and the opportunity it has to effect change.

The reality outside this fish bowl is that some people grin and bear PSTs, GSTs, income taxes and sin taxes while others choose to go underground to increase their purchasing power. All these people have to do to justify breaking the law is pick up a daily newspaper and read one of the many stories of government waste on things like grants to study blueberry jam, parliamentary junkets, MP pensions for life, and the list goes on. It is this type of negative reinforcement that encourages many honest Canadians to pay cash for goods, negotiate deals or trade their services, anything to avoid paying excessive taxes to wasteful governments.

These are not simply my views, but those reflected in one of the first speeches made by our Minister of Finance in 1994. He stated: "The rise in the underground economy is what happens when the population of a country no longer believes it is heading in a direction where we all benefit. The underground economy is not all smugglers. It is hundreds of thousands of otherwise honest people who have withdrawn their consent to be governed, who have lost faith in government".

• (1755)

He is aware of that. What is he doing to change it? Nothing. They still spend $40 billion more than they bring in every year. Unfortunately, Motion 382 is an example that the Liberals have done nothing to restore a sense of faith, equality, and equity in our tax system.

Not only are these people avoiding Canadian taxes, many are moving their capital completely out of Canada to invest in foreign countries. According to the Bank of Nova Scotia, in 1993 unaccounted for capital that left Canada was estimated at $7 billion. The estimated figure for previous years was consistently around $700 million. It went from $700 million to $7 billion in just a few years. That is frightening.

The former attorney general of Bermuda puts this into perspective. I read this in a book by Diane Francis, *Underground Nation*, where the attorney general of Bermuda is quoted as saying: "People in huge numbers are hiding money offshore because they feel overburdened or feel so unfairly treated that they think there is no point in keeping their money captive at home. What is happening is that high tax rates in Canada and elsewhere are turning what used to be hard working honest businessmen into tax evaders. The feeling I get from Canadians and certain island institutions is that they are getting a lot of Canadian money invested outside of Canada which is not there legitimately".

Why will the government not wake up? The best way to solve the problem of the underground economy is by making cheating not worth while, similar to the smugglers' bill: take away the profit from the smugglers and get rid of that tax and smuggling will end. Lower taxes are the answer.

When people see governments like this one blow their hard earned tax money, increased enforcement from a government standpoint is an exercise in futility. Motion 382 calls for voluntary compliance measures to bring these people back into the mainstream economy. Voluntary compliance measures will have little effect on people who truly feel they have been wronged by the government. It is human nature.

Although I do not condone those who knowingly break the law, the reality is that if governments do not play by the rules, what incentives are there for their citizens to play by the rules? Why is there a double standard that when you are a politician you get a pension plan that is three or four times as good as that of the private sector? Do as we say and not as we do is fast becoming the new Liberal slogan, replacing jobs, jobs, jobs.

Although the Liberals campaigned on integrity and a new philosophy of governing, I along with many Canadians feel that we are watching the same play in the same theatre with different actors playing the same roles. The names have changed but it is the same old script.

For example, with Motion No. 382 a member of the government is calling for additional tax dollars to be spent on advertising to inform Canadians of the importance, the incentives, and the obligations to pay taxes. Where is the importance and the incentive and the obligation of the government to justify how it spends money and to eliminate the waste in government spending? Why is that not addressed in the motion?

If the government has to offer incentives to comply with its policies then there is something wrong with those policies. Like the Tories, however, the Liberals do not get it. Rank and file Canadians are protesting the tax system in Canada and their concerns are not registering with this administration. Surely the estimated size of the underground economy and nationwide tax protests should have sounded some alarm bells within the Liberal caucus. Apparently not. Motion No. 382, for example, has an amnesty clause to encourage people to come clean and pay taxes they have avoided without fear of punishment by the government. Where is the common sense logic in this suggestion? An amnesty will only get people to pay the taxes they refused to comply with in the first place. How is that an incentive?

It is time for the Liberals to stop these nickel and dime, band–aid solutions for problems with our tax system and begin the long overdue process of tax reform and tax relief. Attack the disease, not just the symptom. The Reform Party understands the difference between the two. That is why we have committed ourselves to spending reductions and tax reform, including the development of a simple, visible, flat system of taxation for Canada. The single most important aspect of this system is that it would be fair, removing the incentive for many to go underground in the first place.

It is interesting to note that Motion No. 382 is targeted at GST avoidance, which indicates that the Liberals have truly backtracked from the campaign promise to scrap the GST.

Our whole process of tax reform and relief would come under the umbrella of spending reduction and restraint. A Reform government would legislate balanced budgets. We would protect taxpayers dollars by reducing the size of the federal House,not increasing it to 301 as this administration plans to do.

• (1800)

We would pass more responsibility on to provincial governments as well as individual Canadians. The time has come to put money back into the hands of those closest to the problems facing Canadians and, most important, those who will spend it best.

In conclusion, a Reform government would mean effective government, a transparent government with full disclosure. We would introduce proactive legislation to clean up the fiscal mess in the country which many Canadians are doing their best to avoid.

The Liberals on the other hand will continue to propose band–aid solutions like Motion No. 382. I have a message for all angry Canadian taxpayers out there when they come to the end of their financial rope: "Tie a knot, hang on, a Reform government is just around the corner".

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is always so nice to follow the doom and gloom party.

It is a pleasure to speak today on Motion No. 382 introduced by the member for Mississauga South. Basically the motion calls on the government to consider establishing initiatives to address the massive underground economy that exists in Canada today.

The issue is of concern to me and should be of concern to all Canadians. I have even managed to address the matter while I was vice–chairman of the Standing Committee on Public Accounts. I had the opportunity to ask one witness, a deputy minister at Revenue Canada, about Canada's underground economy. He said that a lot of the situations which caused the underground economy were for elected representatives to discuss and address. This is what we are doing today. My colleague from Mississauga South has proposed ways to address the problem I spoke about before the committee.

The underground economy has a great deal of strength in Canada. The exact size of lost revenue is unknown, with estimates ranging from $20 billion to $140 billion a year. What is known is that each time someone participates in the underground economy money to help pay for our programs such as health care or education is lost and will most likely never be recovered.

It is safe to say that we are taking money from ourselves by being part of the underground economy. We must ask ourselves what is causing this type of economy, one the Minister of Finance does not want to see grow. It could be the threat of taxes. It could be the problems with the Department of National Revenue. It could be the perception that the system is bogged down in bureaucratic red tape. It could be a lot of things. Is it the hated GST? For whatever reason it is real. The underground economy is alive and well.

I hear stories in my riding of Victoria—Haliburton about welding shops which have gone out of business and now operate out of a truck and only collect cash. I hear of car body shops that only deal in cash, buy their materials in cash and pay their employees in cash. It has been said that there are restaurants which pay students cash and tell them not to report it. Some people have told me of contractors who continually give two quotes, a quote for cash and a quote for the legitimate way. Furthermore, some people have actually removed their business listings from the phone book so they can work in cash.

I know a lot of these people were never tax cheaters in their lives, but they may have been forced into operating this way or feel they have to operate this way because they have been doing it for so long and penalties would be too harsh if they come out and operate honestly.

One part of the motion is designed to address the situation precisely. The second part of the motion is designed to give some relief or limited forgiveness on interest and other penalties payable when a taxpayer voluntarily declares previously undeclared income.

Be honest and you won't be punished is the message in the motion. Another part of the motion suggests educating the public about the problem and encouraging its participation in solving the situation.

Our tax system is based on taxpayers voluntarily filing and paying their taxes. It is probably the least expensive way for the federal government to collect taxes owing. However there are some who do not pay which gives some businesses an unfair advantage. In the long run, if every Canadian paid their fair share, we would be further ahead. Most important, we would be paying in a far fairer way.

Nothing is more frustrating for small businesses such as contractors bidding for a job to lose the bid because the competition put in a low bid and an under the table bid.

• (1805)

Another part of the information campaign deals with ensuring people realize the federal government, in particular the Department of National Revenue, is addressing the problem of the underground economy. In the future more people will be exposed for contributing to the underground economy and once caught there are some serious consequences to consider. Furthermore the information campaign must stress that jobs are lost when the underground economy flourishes.

Canada must begin to realize that doing things above board is in the best interest of everyone involved. At the same time this part of the motion calls upon us as a government to help to create an atmosphere in which doing things above board is acceptable. There are other ways to encourage people to do things above board and the third part of the motion touches on them.

The third and last part of the motion deals with giving tax credits to people who are doing home improvements or renovations. The idea is to diminish the two–quote system which already exists. It also creates a paper trail that can serve as a primary vehicle for the information campaign I mentioned earlier.

We as a government must make sure that society is not punished for being honest. We must create an economy in which hard work and dedication are rewarded. We do not want to send out a message that it is all right to operate in the underground economy because everyone else is doing it.

One of our priorities when we were elected was to focus on jobs and growth. The motion helps to maintain that message and I urge all members to support the idea of the hon. member for Mississauga South.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I would like to speak to both sides of the motion presented by the hon. member for Mississauga South.

One positive side is that the member is looking for solutions to a problem. I endorse that. I encourage members to do that type of thing. The other positive side to the motion is that it reflects what many constituents are thinking. There are constituents who are saying that the present situation is unfair to legitimate business. There are other constituents who are saying that we can work our way out of it.

I refer to a letter from a constituent who came to see me in my constituency office in Nanaimo some weeks ago. His name is Gary Chandler. His thoughts were to give each taxpayer a new deduction on income tax which would represent 5 per cent to 10 per cent of taxable income for improvements to a principal residence. Canadians have more savings per capita than the people of most countries. The measure would free up enough of that money to reduce unemployment. It would also cut into the underground market as legitimate receipts would be required.

When I read the letter and talked with the gentleman I thought it was an attractive idea, that it was something positive to undercut the burgeoning underground economy. I am not an expert in this regard so I decided to find out what my colleagues in the Reform caucus thought. I passed it on to them and the caucus financial committee discussed it. They went at it in some detail. However they found that they could not support it for the following reasons.

First, they said the taxes that would be forgone by this type of exemption would make it quite costly. The next point they brought to my attention was that it would therefore be necessary to extend the same tax privilege to other areas such as car repair, small appliance repair and household appliance repair. All sorts of areas would stand in line and say: "Us too". Before we knew it we would have a whole series of exemptions that would affect the way we do business.

• (1810)

The third reason they gave was that it would move us, certainly as a party, away from our proposal for a flat tax system. A lot of Canadians are complaining about the tax system. We have to make it simpler and easier to understand. The forms have to be simpler and so on. This type of exemption would move us away from that area.

The final reason they could not support it was found when examining the reason for having the underground economy. This is the principal one. The reason we have an underground economy is the same reason my colleague pointed out a few minutes ago. The government's spending level is too high. Therefore the taxation level is too high. We keep pounding at that over and over again. We realize we have a $550 billion debt and it is growing. We have to do something about it.

The government is now taking some small steps toward reducing deficit spending. We do not feel it is enough, but it is the basic reason behind the fact that we have an underground economy. Unless we tackle that first we will not solve the bigger problems.

I compliment the member for Mississauga South for raising this initiative and for trying to solve the problems. While it is reflective of the thinking among constituents asking how to solve the problems, nevertheless overspending and the high taxation rate on the part of government must be overcome first.

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I commend the member for Mississauga South for his interest in bringing this important subject to the House. There is absolutely no question our Minister of National Revenue and members on both sides of the House are very concerned about the direction of our underground economy. The issue has the focus of all Canadians and is very important to all Canadians across the country.

The greater the activity in the underground economy, the less revenue there is for governments. Underground economic activity creates unfair competition for honest businesses. Jobs are lost and honest taxpayers are forced to pay more of an unfair system in taxes when the underground economy flourishes.

For many individuals and businesses the underground economy has become a convenient way to avoid paying taxes, not to pay their fair share. When these people take their financial transactions underground they are failing to support Canada's social and economic programs. These people do not pay for the services they use. Instead other Canadians are forced to pay more. Other Canadians are forced to pay for those who participate in the underground economy.

I am very surprised the member for Calgary Centre suggested and almost condoned the underground economy and gave reasoning for it. It is serious to all Canadians that no one condone the practice. It is certainly not morally sound or fair to Canadians.

People who deal in the underground economy may feel their financial situation justifies the actions. It may be because they have not had a raise in several years. It may be because they feel the taxes are too difficult for them to comprehend. It may be just because of basic greed. They see it as cheating the tax department. It is not a simple matter of cheating a victimless tax department. It is cheating friends, the people who live next door

and the people who do business in the community. It is cheating every Canadian, forcing them to pay more in an unfair system.

• (1815)

I ask members as well as all Canadians to consider the real cost of the underground activity. The cost is large. It shows up in reduced essential services, higher taxes than we would otherwise be paying, unfair competition and a reduced standard of living to the honest taxpayers.

How does the underground economy affect the legitimate businessman trying to be competitive? The Canadian Homebuilders Association is concerned. Home renovators who evade taxes have an unfair advantage over other home contractors. Right from the start, honest businesses are at a competitive disadvantage because they cannot offer the consumer the same deal offered by someone who will not collect the taxes. The end result is that legitimate businesses face unfair competition and jobs are lost.

We must not forget dishonest consumers. Dishonest consumers who take a lower price and pay cash are cheating the system. They are becoming party to the evasion of taxes. These same consumers benefit from a full range of government services but are not paying their fair share. All they have done is take part in the transaction which jeopardizes our health, education and other essential services. This is simply unfair and very short sighted.

The motion before us suggests the government educate the public and encourage its participation in addressing the problems. I agree Canadians need to know the facts about the seriousness of the underground economy and what it is doing to hurt Canadians. I also agree governments cannot solve the problem alone. We all must take part and fulfil our responsibilities.

The government has recognized solutions to this problem it is now facing are not in isolation by themselves. We must understand the problem and its consequences. It is for this reason that in November 1993 the Minister of National Revenue made education a fundamental element to address the underground economy.

During this past year, officials of Revenue Canada have actively been consulting with individuals and associations across the country. Revenue Canada is seeking support of groups and individuals throughout the country. With the Canadian Institute of Chartered Accountants, for example, the department established a working committee to investigate the causes of the underground economy, to examine audit techniques and identify training that would assist in tracking down unreported or under reported income and identify the opportunities for reducing the cost of the administrative burden for compliance for businesses and individuals.

These groups are taking the message of the risks of dealing in the underground back to their memberships. Every citizen and every business has a role to play in eliminating the underground economy. Individuals can start by refusing to deal with businesses and trades people who ask for cash payments. Businesses can do their part by turning down demands to do work off the books by making sure that does not happen.

To ensure everyone is aware the government is serious about prosecuting those who deliberately defraud the system, the Minister of National Revenue is publicizing convictions for tax evasion. The increased publicity has had a deterrent effect. The number of voluntary disclosures received by the department in which people have come forward to correct their tax affairs has doubled in the past year. In addition, the number of referrals received from people each year providing the department with leads on potential tax fraud has risen to about 19,000.

I am confident we are making the right progress in dealing with the underground economy and I am hopeful all Canadians and all members of the House will applaud the efforts of the member for Mississauga South for stimulating this debate in the House.

I urge members of the House to carry the message back to their constituents. I urge the members of the House to actively seek solutions for the underground economy and create a better and fairer nation for every business.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 6.20 p.m, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.20 p.m.)

HOUSE OF COMMONS

Friday, May 19, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

ROYAL CANADIAN MINT ACT

Hon. Alfonso Gagliano (for the Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.) moved that Bill C–82, an act to amend the Royal Canadian Mint Act, be read the second time and referred to a committee.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, Bill C–82 is of wide ranging significance for Canadians. The piece of legislation will enable the government to modernize Canada's currency by introducing a new $2 coin.

The bill is part of a two–tier approach that will transform Canada's currency system and save Canadian taxpayers a half billion dollars over 20 years. The other element of the strategy is the decision to change the metal composition of the 1–cent, 5–cent, 10–cent, 25–cent and 50–cent circulation coins. Such a move has become necessary given the rising cost of producing the coins.

For example, it now costs approximately 1.4 cents to produce a 1–cent coin. In all, altering the metal content of the coins will result in annual savings of $12 million.

[*Translation*]

These new measures, an important stage in the history of our currency, are arousing a lot of interest throughout the country. For Canadians, their currency is more than a mere payment instrument. It is part of their heritage, a national symbol.

By deciding to replace the $2 bill with a coin and by changing the metal composition of the lower denomination coins, the government remains true to the principles it has always stood for.

Since our government took office, it has been faced with difficult choices. We have never shirked our responsibilities and we always tried to face the music in cooperation with all Canadians.

[*English*]

The savings to the people of Canada are considerable. I have already discussed the savings that will accrue to the people of Canada as a result of changing the metal composition of the lower denomination coins. It is estimated that moving to a $2 coin will by itself save taxpayers $254 million over the next 20 years. This is because coins last so much longer than notes.

At present the $2 bill costs 6 cents per unit to produce, but with all the wear and tear it takes a note only lasts one year. A $2 coin, on the other hand, will cost approximately 16 cents to produce but will last 20 years.

The new $2 coin brings another benefit to the government: within 18 months of issuing the coin the government will obtain $449 million in seigniorage. The difference between the unit cost to produce a coin and the face value of the coin is seigniorage. Within 18 months of issuing the $2 coin $449 million in seigniorage will accrue to the government, thus an additional $500 million for the government's consolidated revenue fund within 18 months. This is not bad by any stretch.

This move also reflects the government's sense of priorities. All Canadians understand that we have to get the government deficit under control, which demands spending cuts in every government department. As was stated in this year's budget, Canadians want the government to spend money and secure savings in ways that make sense and that reflect their values. To do so it is essential that our efforts be guided by clear principles.

[*Translation*]

The proposed changes to our currency are a good example of the savings that can be achieved with some determination and creativity.

Let me also tell the House that the government is looking for other ways to reduce spending in order to avoid tax increases. The introduction of the new $2 coin and the proposed changes to the other denomination coins will also meet our needs, since coins are still widely used in Canada.

In fact, despite the growing popularity of credit cards and debit cards, coins are still used in over 75 per cent of all financial transactions made in this country.

The third principle is frugality; each dollar matters. The initiatives put forward today are probably the best way to illustrate this principle. Some will argue that savings of $12 million a year, or half a billion dollars over 20 years, are not a big deal, but on this side of the House, we think that every little bit counts and as the old saying goes: "Little streams make big rivers". This government thinks that a dollar saved is a dollar in the pockets of the taxpayers.

[*English*]

By making these impressive savings in the production of our coins we are helping Canadians avoid painful budget cuts in other areas. Let me be perfectly clear. Our government is committed to eliminating the deficit, which will require more spending cuts in the years to come. Reducing the cost of our currency is a good example of spending cuts that are fair to all Canadians and relatively painless.

• (1010)

Some people have expressed concern about the changes to our national coinage, but the disadvantages which are mostly related to the bulk of coins are far outweighed by the advantages, especially the considerable savings.

I am convinced that if given the choice all Canadians would choose a few more coins in their pockets or purses over fewer dollars in their bank accounts as a result of tax increases. Canadians understand that a $2 coin will add a little weight to their pockets but will take a big load off the debt.

The government also understands the concerns of the vending industry and is committed to giving this and other important factors the time they need to adjust to the changes. The 8 to 12 months advance notice they have received should allow them to convert their equipment to handle the new coins. One reason we decided to introduce the new $2 coin at this time as we change the composition of other coins is to assist the vending industry.

By pursuing the two initiatives at the same time the industry will only face a one–time investment in recalibrating its machines.

[*Translation*]

Not only will the new $2 coin be better adapted to the needs of our trade and industry sector, it will also be more practical for users. As more and more goods and services such as coffee, snacks, laundromats, subway tickets and public parking require the use of coins, the need for printing low denomination bills is increasingly reduced.

By modernizing its currency in this fashion, Canada is joining the ranks of the many countries all over the world that already have higher denomination coins. The United Kingdom, France, Germany, Japan and Switzerland are only some of the countries which have recognized the practical value of coins as a method of payment. Many countries have coins that have a much greater nominal value than ours. For example, in the United Kingdom, the one pound coin has approximately the same value as our new $2 coin.

France is another country where low denomination bills have been withdrawn. In fact, their smallest bill, the twenty franc bill, is worth almost $5. Some European countries have coins that are worth as much as our $10 bill.

[*English*]

The proposed coin is composed of a nickel outer ring with a round aluminium bronze core. The use of bimetallic coins is another trend that is growing throughout the world. Such countries as France, Italy, Hong Kong, Singapore, Mexico and many others are already using such coins. The government's choice of a bimetallic $2 coin reflects another one of our principles, that of helping Canada break into new markets with new products. The capability of producing a bimetallic coin in Canada will position the mint and Canadian suppliers to compete internationally for the bimetallic coin business.

This is especially true given the Royal Canadian Mint's worldwide reputation for unsurpassed quality, its markets and its production expertise internationally. I am convinced that the capability of producing the bimetallic $2 coin will give the mint and potential Canadian suppliers another advantage in foreign markets.

I have outlined many of the tangible benefits that will flow from the changes. Canadians will benefit directly from the immediate cost savings as well as from the more cost effective method of producing coins. All this will result in a more efficient and effective coin system that can only help our economy.

The criteria for an effective coin system are that the system will first meet the needs of trade and commerce, will be cost effective, will have public acceptance and will meet public preference.

• (1015)

I have already addressed the first two points regarding the new coin. I would now like to address the issues of public acceptance and public preference. As was the case with the introduction of the ever popular loonie, I am confident that Canadians will also come to enjoy the convenience, the distinctive look, and the feel of the $2 coin.

The $1 coin may give us an idea of how popular its sibling could prove to be. Since its introduction, more than 685 million

$1 coins have been struck, which is more than double the number of $1 bills that were in circulation when they began to be withdrawn.

[*Translation*]

As a matter of fact, after seeing the success we have had with our loonie, the U.S. general accounting office is looking at reintroducing the $1 coin in the United States. That says a lot.

It is not necessary to wait and see if our $2 coin will be popular. According to the information we have now, more than 79 per cent of Canadians are in favour of the new $2 coin because of the savings it will bring.

Once they are informed of all the advantages associated with the new coin and of the modifications that will be made to the metal composition of other coins, I am convinced that Canadians will support this project wholeheartedly.

Canadians in all the provinces have shown their support for the new $2 coin by sending their ideas on the theme and the illustration of the coin. The Royal Canadian Mint has already received over 17,000 submissions from school children, artists, coin collectors and other Canadian men and women.

I encourage members of this House who have received suggestions from their constituents or who want to make their own suggestions to send them to us, but they have to do it as soon as possible because this cost–saving measure is progressing very quickly.

Our government is making these changes in the interest of all Canadians. The savings alone justify this decision but, more importantly, these changes reflect our determination to prepare for the future.

[*English*]

In making these changes we are also responding to the message we received from Canadians from coast to coast and we are putting into practice the message we sent out in the February budget. They want us to spend money and secure savings in ways that make sense and reflect Canadian values. We want to carry out their wishes in ways that cause the least pain possible.

It is only a small step in our larger march toward the future, but it is a symbol of our government's ongoing commitment to reducing the cost of government while providing service to Canadians.

Surely the people of Canada will benefit greatly from the introduction of the new $2 coin. That is why I strongly urge all members of the House to help us in passing Bill C–82.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I am pleased to rise in the House to speak to Bill C–82, an act to replace the $2 bill with a coin.

As the parliamentary secretary just explained, this change would save the government some $12 or 13 million yearly for the next 20 years. This measure will save us money. In fact, as he explained, the production cost of a bill, which has a circulation life of about 1 year, is 6 cents; the cost of minting a coin, which has a circulation life of 20 years, is 16 cents. Hence, the savings of $250 million over 20 years.

However, the parliamentary secretary neglected to mention the costs, amounting to approximately $30 million, which will be associated with the new coin. There certainly is the potential for savings; that is the main reason the government tabled this bill. When it comes to that pursuit, the Bloc Quebecois has always striven to propose to the government ways of saving money. This is always practical, especially for a government facing a deficit.

• (1020)

Some businesses, in particular bus companies, also support this initiative because they are having problems with their money boxes. All those $2 bills tend to get stuck in the money boxes on buses. That is indeed a great problem, and perhaps one of the arguments in favour of replacing the bill with a coin.

We can talk about savings for the government and for the government only. That is where the savings end. Substantial costs will be associated with making the transition to the use of the coin.

Mr. Laurin: Mr. Speaker, when a member has the floor, I think his colleagues should at least give him a chance to express his views and other people a chance to listen. The comments being made right and left make it impossible for us to listen undisturbed to what the speaker for our party has to say. I would appreciate, Mr. Speaker, if you would call my colleagues to order.

The Acting Speaker (Mr. Kilger): I am sure that is what we want, regardless of the topic or the member who is speaking, and I hope hon. members will remember this, and that the debate will proceed in a way that is acceptable to all members on both sides of the House.

Mr. Marchand: Mr. Speaker, I want to take this opportunity to thank the hon. member for Joliette for coming to the rescue. I was so absorbed in my speech that I did not notice the other conversations that were going on, but now, as I look around me, I see people talking.

As I was saying, the purpose of Bill C–82 is to issue a coin that will replace the $2 bill, as a money saving measure that, I agree, will save approximately $240 million over 20 years. But that is where the saving stops. When we consider the transition period until this legislation can be implemented, we are talking about substantial expenditures, because it is clear that the private sector will again be stuck with spending several million dollars during the transition. As you know, when the government issues

a new coin, in this case the $2 coin, it means all cash registers in every business in this country have to be changed.

At the present time, cash registers can accommodate coins in denominations of 1 cent, 5 cents, 10 cents, 25 cents and one dollar, and now all cash registers will have to be changed to accommodate the $2 coin. Who is going to pay? The merchants, of course. We will have to change all the vending machines across the country, at an estimated cost of more than $80 million. And yes, there is more. We will have to change parking meters in our municipalities to accommodate the $2 coin, and ticket counters and video games. And what about telephone booths? There are a lot of those in Canada. Apparently, the additional cost for the private sector in Canada will be $400 million during the first year, and that is a conservative estimate. That is the minimum cost to the private sector.

These are very substantial amounts.

• (1025)

It is nonsense to say, like the parliamentary secretary, that it is painless for the business community. There is nothing painless about obliging merchants to change their cash registers at a time when many are already suffering as a result of poor decision making by this government. Consider the GST and all the paperwork small businesses have to cope with, businesses that in some cases are on the verge of bankruptcy. Now they are being asked to change their cash registers. This is not necessarily good news for them.

We can hardly say this is painless and that the government is acting in the best interests of a private sector that will have to spend at least $400 million because a new coin is being issued.

I heard some comments from government members. Sure, this will get the economy going. This will make a real difference. Four hundred million dollars at least will be spent. That will make a difference. I think this reasoning shows a lack of imagination and I would even say a lack of intelligence on the part of the government, because we know perfectly well that if the government really wanted to boost the economy, it could do it in a positive way.

If the government really cared about promoting private enterprise and small business, it would make an effort to simplify the paperwork, the forms and all the taxes imposed on small business and forget about issuing a $2 coin.

Issuing a $2 coin is no help to small business or even businesses in general in Canada. It complicates their lives. It forces them to spend money for something they did not ask for. Who, in the end, is going to pay for it? Businesses will pass the cost on to the customer. It will have an inflationary effect, perhaps like the introduction of the GST and all the other government measures of the past. It will have an inflationary effect.

We all know that, with the introduction of the dollar coin a few years ago, a whole slew of things that sold for 80 cents, 85 cents or 90 cents suddenly started selling for a dollar. The same thing will happen again. Everything that now sells for $1.75 will now suddenly be selling for $2. It is not fair. This negative effect is not fair for consumers who will have to pay a little more for each purchase.

All the business people who will have to buy another cash register will pass the cost on in the goods and services they sell to their customers. Basically, the consumers will be the ones to pay. On the pretext of saving $250 million, the federal government is handing another bill to the consumers, who will have to pay two or three times more. This is unimaginative, would you not say, Mr. Speaker?

Besides, this is not a new approach. The federal government has often passed a debt on to the provinces or the municipalities in order to save money and reduce its deficit. In this case, it is passing the debt on to the consumer.

Furthermore, this measure not only does not help the economy, it may even have an inflationary effect on certain items. It may even be said to have a slowing down effect, dragging the economy down. Here again, this is not helping private enterprise, which is being stuck with a needless expenditure, one it never asked for. There is no money in this for private enterprise.

• (1030)

No business asked for this, except perhaps bus companies which could benefit from the elimination of the $2 bill. There would be no more $2 paper money. People would probably have to use one dollar coins. In other words, what I am trying to tell the parliamentary secretary is that there may be other ways to solve the problem caused by $2 bills in bus fare boxes.

To introduce a $2 coin at this time, given the present economic situation in Canada, with its crushing debt load and cuts to social programs and elsewhere, could possibly slow down the economy, because of the additional costs to the system. The government is considering expenses the private sector finds useless. It will cause consumers to spend more for the sake of saving a few million dollars.

Again, we, in the Bloc, believe Canada should save money, but not just any which way and at any cost. If, to try to save $250 million, you ask consumers to pay $400 million, what kind of saving is it? The parliamentary secretary mentioned the fact that the reaction from the public was very positive, that people were enthusiastic, and that the $1 coin had become the ever popular loonie. We were given the impression that the public agreed, and so did associations and merchants, but this is not the case at all.

The majority of merchant associations and consumer associations were not consulted. Only a few were consulted, and some said they felt the government was going too fast. Consumer and merchant associations remember the costly introduction of the $1 coin which was not readily accepted by the public and is not quite entirely accepted yet. Its impact was not very positive. It took some time to get used to it. Right from the start, the coin was found to be too heavy, too big, and unacceptable. This was a mistake.

The consumer and merchant associations I consulted told me that the government was going too fast. It might make another mistake and introduce a coin which might be heavier, bigger, and even less acceptable for the public, and which will be of no help to the private sector or retail business and will hurt them. It will cost shopkeepers at least $400 million more to adapt to this new coin and, in the end, consumers will have to foot the bill.

We have to ask ourselves whose interests the government is defending? Who exactly are we serving here? For whom do politicians work? To whom are we accountable? Is the government taking these measures just to solve some small problem of its own? By creating this $2 coin, we might be solving problems only for the Royal Canadian Mint, while ignoring those of the business people and the population.

• (1035)

The parliamentary secretary argued that the Royal Canadian Mint will have the opportunity to develop an industry and compete with other similar industries over the world, even sell $2 coins to the United States maybe. But can he explain why the Royal Canadian Mint is unable to compete on the international market right now? Why does it need a $2 coin? We already have the nickel, dime, quarter, half dollar, and dollar coin; we could mint 2, 5 and 10 dollar coins for other countries.

Is helping the Royal Canadian Mint compete internationally a good enough reason to introduce a two dollar coin in Canada, when in fact, the Royal Mint is quite capable of competing on the international market as things stand right now? Are we creating that coin just to please the Royal Canadian Mint? Should we not first try to find out if the public wants such a thing? Do shopkeepers and business people want that coin? That is the question.

Before we implement a change as important as this one, it seems to me we should get to the bottom of the issue and ask ourselves who we are supposed to serve. I happen to think we are here to serve the public. Therefore, before doing anything else, we should consult the public. We should find out if Canadians really agree with the introduction of a $2 coin.

The parliamentary secretary says that everybody agrees. Everyone wants coins, they love the loonie, the "ever popular loonie", as he said. Yet, when you look at the poll which was conducted, you wonder whether it was not also orchestrated to please the Royal Canadian Mint.

The were two polls, the one we are interested in was done this year or at least the results were released this year. In fact, this is the only poll done this year by Environics, although it was in two parts. It shows that, deep down, there is a strong reluctance in the public.

The company did one poll that showed that about 50 per cent of the people said no, absolutely not, no $2 coin. Another 50 per cent said maybe, they hesitated. And this was interpreted as a positive response, 50 per cent said yes.

The parliamentary secretary did not talk about the people who are against it. Environics redid the poll a second time and talked to the same 1,000 people—because they only talked to 1,000 people in Sherbrooke, Toronto and Calgary. They repolled the same 1,000 persons and they told them that the country would be saving $250 million. That second time, of course, the acceptance rate jumped to almost 80 per cent. Sure, everybody is in favour of motherhood and apple pie.

Everybody in Canada wants to save money. Nobody in Canada would refuse the government a chance to save. But did they take the time to explain to these people that it will also cost a lot of money to merchants and consumers? No, they did not take the time to explain that. They did not take the time to explain the other possibilities or to do a thorough polling to try to avoid the mistake made when the $1 coin was introduced. There was a big mistake made at the time. We know that.

When you look back at the history of our currency, you realize that there was a very strong opposition to the loonie. People were saying it was not real money, it was just a piece of metal of the wrong colour and it was far too big and too heavy.

• (1040)

But worst of all, the government did not take the time to inform the people. It did not launch, let us say, an advertising or information campaign to explain to citizens the need for this coin. It could have consulted people and put some effort into producing a coin that would perhaps be less bulky, lighter and more original, but it did not do so.

Once a coin is introduced, we are stuck with it for the rest of our lives. We cannot change it. The same thing can be said of the loonie. A mistake was made and this is not the ever popular loonie. Even in Kingston, as in cities everywhere, banks have 50 million loonies in their strongrooms, because this coin is not circulating. People did not accept it.

Here we are stuck with perhaps 50 million loonies which are not in circulation, quite a load. Obviously, in Kingston as elsewhere in the country, we will witness the same reluctance to use the $2 coin and it is already happening. I sense it myself but one has only to speak to people in the streets, on the buses and so on to see that people do not want a $2 coin. People did not accept the loonie, so why would there not be even greater reluctance to use a bigger and heavier coin?

Of course such reluctance is normal, because the idea is new. But if we decide to eliminate the $2 bill, for example, it will be a new experience too.

The government lacks imagination and vision. It does not take the time to really think things through. Even if, for some, the introduction of a $2 coin will not change the world, one has to take the time to do one's job. The Department of Public Works certainly did not do its job in this case; besides the minister did not even bother coming here to defend his bill this morning. Or rather, the hon. minister is here in spirit, smiling through his colleagues.

I note, however, certain factors that clearly indicate to me that the minister is not particularly interested in defending his bill as I would have liked him to.

Polls which unfortunately are made to serve the interests of the Royal Canadian Mint, but polls which are also incomplete, very incomplete, and which repeat the errors of the past, which do not consider two other alternatives that must be considered, that the government could consider, with the same regard for economy and with a greater respect for the general public.

If, for example, the government took a close look at the situation, maybe it would realize that this is not the right moment to introduce a $2 coin. Maybe this is not the time. Maybe we should maintain for some time the current system with the $2 paper bill. Maybe the timing is not right. Maybe the retailers do not want to be involved in another change, when they are already being buffeted by changes in taxation and forms coming from the government. Another government requirement, more useless spending by the government. Maybe this is not the right time. Maybe this is a lack of judgment on the government's part, bad timing, and if the government really, sincerely wanted to save money, it could do it elsewhere.

I could suggest many ways to save those $250 million. The Minister of Public Works could himself abolish the Atlantic Canada Opportunities agency, something that has been suggested to him many times, because we know that this agency spends its money very freely, making gifts to this one and that one. We read in the newspapers that the minister, who does not have the best reputation in the government when it comes to his handouts, could, by abolishing the agency which spends between $300 million and $500 million every year, have saved a much greater amount that the savings that we are supposedly making by issuing a two dollar coin.

• (1045)

There are all sorts of reasons and examples that we can give to encourage the government to save $250 million. Also, there is a second alternative. First, we can maintain the current situation and continue for a while, because the timing is bad for merchants and consumers. The other alternative that the government did not even consider and that I suggest simply because I too am interested in savings, is to abolish the two dollar denomination, whether paper or coin, as was done in the United States.

In the past—I have a $2 bill, I had a $2 bill in my hand—there was a $2 bill in the United States. I was in New York when they abolished it. There was no problem with that. There are no $2 bills any more in the United States. It is not the only country in the world that has abolished the two dollar bill. The parliamentary secretary mentioned that a two dollar bill had been introduced in Great Britain. But that is not true. In Britain, it was abolished, and several other countries simply abolished the two dollar denomination.

Some countries did convert it into a coin, but others did not. The parliamentary secretary seemed to want to mention only those who converted it into a coin. Many countries have abolished the two dollar denomination, and if they did, so can Canada. That could be very well received. It is not as if we wanted to abolish the 1 cent coin or another denomination essential to counting money. A $2 bill is not like a cent. To abolish the cent would have a devastating impact because we would be abolishing a unit essential to counting money. But the $2 bill is not essential, for that purpose. The proof of that, I repeat, is that other countries did it successfully.

That is what I am suggesting to the government. If we kept the present $2 bill for a while or if we simply removed it for some time, the government would save more money than by introducing a $2 coin.

This way, private business would not have to spend another $400 million to no real puprpose. Municipalities would not be forced to spend money replacing parking meters, vending machines, cash registers and all sorts of other business machines all across Canada. We would save a lot of money, and even the government would save.

If the government decided to eliminate the $2 bill, it would still be possible to reintroduce it later, if it was considered a mistake or if the public did not accept the change. By contrast, once the $2 coin is introduced, we will already have spent $400 million. The damage will already have been done. If it were abolished later on because the public did not accept it, the private sector would still have made unnecessary investments.

Some say that perhaps the timing is wrong, since the government is considering the introduction of a $5 coin. Some coun-

tries, Australia for instance, introduced a $5 coin. By the way, in Australia, the $2 and $5 coins have not been accepted yet.

• (1050)

At least the government understood that this is not the right time to issue a five dollar coin. They have understood that at least. They say: We may issue a five dollar coin in five or ten years from now. Why not wait and issue the two coins at the same time? Why now? What is the hurry? Why impose unnecessary expenses on the private sector? Why not wait for technological advances?

As we all know, we live in a rapidly changing society. I, for one, pay my newspaper with a credit card. I do not use spare change very often. People, at least in my town, use credit cards or debit cards issued by their caisses populaires to make purchases at their convenience store or supermarket. Plastic may be the way of the future.

New technologies could make currency obsolete a few years from now. Why should we have a bill which will force unnecessary expenses on merchants and tax consumers even more, when we know that in a few years from now technology will make coins obsolete? I believe this bill shows a lack of foresight, intelligence and vision.

This government is clumsy. Obviously they have not done their homework. Even their argument regarding fare boxes in buses is clumsy. They claim that there will be no more two dollar bills obstructing fare boxes and that using two one dollar coins instead will solve the problem.

Some say that, if we eliminate the $2 coin, we will end up with a lot of small change in our pockets, with many more $1 coins. We will keep them in our pockets instead of leaving them in the bank. Obviously, if a $2 coin is introduced, we will have more change in our pockets anyway. Having one $2 coin is no better for us than having two $1 coins. What I am saying is that four quarters are still equal to a dollar, but that in the end we are forcing shopkeepers to spend considerable amounts.

My government colleagues disagree, arguing that people in Canada are weak and vulnerable; that they do not know how to count; that they are used to the $2 bill; that if this bill is eliminated, they will have trouble counting to two. These arguments come from the Liberals.

I think that people are smart enough to figure out that one plus one is two. They do not necessarily need a $2 coin.

Another argument from the government—as the parliamentary secretary put forward a moment ago—is that this coin would be a symbol of our national heritage. Just imagine! Some Liberal members also told me that a Canadian $2 coin would enhance the Canadian identity and makes us different from the Americans, who do not have a $2 coin. What an argument.

The Canadian identity must be pretty fragile if we need a $2 bill to maintain it. That is a pretty weak argument.

The issue of future developments must also be considered. The parliamentary secretary talked about all the other countries in the world, listing a few—like England—that have introduced a $2 coin. He said that England had issued a $2 coin which, in fact, has been eliminated. He is showing bias in his remarks, stating that several countries have issued a $2 coin, although a number of them have eliminated it.

The way of the future is not so clear. Either we eliminate the two dollar denomination or we introduce a coin. Both examples can be found in this country. The other way is perhaps to act prudently and wait for technological developments to see if credit cards and plastic money could do the job instead.

• (1055)

Perhaps now is not the time to make such a change, requiring business and private enterprise to pay out up to $400 million for the sole purpose of alleviating a government concern. You know, many reasons militate against passing this bill, but the main reason that I would like to call to your attention is the fact that it was brought forward by the Minister of Public Works, who has quite a reputation.

The minister has already introduced legislation, namely Bill C–52, which had to be put off indefinitely because it was flawed. The minister was trying to introduce through this legislation a means of competing with private enterprise, in particular with the Canadian architectural and consulting engineering sector. There was a general outcry across the country and it was decided not to go any further with this bill. Bill C–52 was never seen again.

Perhaps the Minister of Public Works lacks good judgment in his bills. Here is another example: this ongoing competition with Canada Post, which competes unfairly with courier companies. Again, the minister seems to encourage unfair competition with private enterprise, which goes to show that this minister does not care very much about the business and industrial community. This is a minister who has, time and time again, squandered the taxpayers' money. And the list goes on. If I had more time, I could give you more examples of how this particular minister diverts funds, wastes money and does not do his job, because what we have here is a perfect example of a minister not doing his job.

We, Bloc members, care about savings and there are great savings to be made. Perhaps this is not the right time to be introducing Bill C–82, as it entails major transition costs. This measure will cost businesses and consumers a bundle, and introducing a $2 coin will not solve the problem with the $1 coin. We suggest that the government do its job, that is to say put out feelers to check whether or not the time is right to be

introducing something like this or if other alternatives should be explored, like eliminating the two–dollar denomination altogether, which was not done. This should be done because we stand to save even more by eliminating the two–dollar denomination.

It would also add an element of flexibility, since a two–dollar coin could still be introduced in the future, if need be. At least, this would be a more prudent, economical move. All I have to say to the Minister of Public Works is: "Do your job, because you have not done it so far".

The Speaker: Dear colleagues, it being eleven o'clock, we will now proceed to statements by members, pursuant to Standing Order 30(5).

STATEMENTS BY MEMBERS

[*English*]

ANNAPOLIS VALLEY APPLE BLOSSOM FESTIVAL

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, from May 25 to May 28 I will join with constituents of Annapolis Valley—Hants in celebrating our annual Apple Blossom Festival.

This celebration signals the end of winter and offers the promise of a new growing season. Since the first festival in 1933 there have been many changes in apple production. However, one thing has not changed: the wonderful sight and breathtaking scent of apple trees in full bloom.

This festival draws people from near and far. It is an opportunity to showcase the beauty of Annapolis Valley and the warmth and generosity of the people who live throughout my riding.

I ask all members in the House to join me in congratulating all the people who volunteer their time to make this event so special. They should truly be proud of their efforts.

* * *

[*Translation*]

ACCESS TO QUEBEC MARKET

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I remind our colleagues from the maritimes and Ontario that, this year, trade between Quebec and the rest of Canada will amount to over $70 billion in goods and services. In Ontario, hundreds of thousands of jobs are tied to exports to Quebec. As for the maritimes, let us just say that access to the Quebec market accounts for a large part of their GDP.

Make no mistake about it: the Quebec market is the second export market for the rest of Canada. Ontario's three largest private employers, GM, Ford and Chrysler, would really suffer if they were to suddenly lose the Quebec market, which absorbs one quarter of their total production.

The federalists' bluff must be denounced. If Quebec becomes sovereign, no politician from Ontario or the maritimes in this House would be able to ignore these facts and what they mean for the economy of their respective ridings. Negotiating the maintenance of a common economic space will then be a question of common sense and economic interest for all partners.

I leave it to the members of this House to draw their own conclusion.

* * *

[*English*]

HYACK FESTIVAL

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, every May New Westminster, British Columbia holds its annual Hyack festival, a Chinook Indian word meaning "hurry up". The May day celebration dates back to 1870.

This year marks 125 years of these May day festivities. The celebration is an important part of Canada's heritage and continues to be the longest running celebration of its kind in the British Commonwealth. Children dancing with ribbons around the maypole, parades, music and fun fill the week.

Dignitaries from many countries including Queen Elizabeth II have joined the festival in past years which includes marching bands from across Canada and the United States, as well as traditional cannon shots in memory of Queen Victoria, done with two anvils and gun powder between.

The royal city is proud to present the Hyack festival, a symbol of west coast spirit within the Canadian family of communities.

* * *

UNDERGROUND ECONOMY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, recent estimates of the size of the underground economy range from $20 billion to $140 billion per year. Even at the low end of the range the loss of revenue to Canada is significant enough to warrant the urgent attention of all Canadians.

When a consumer is offered a lower price in return for a cash payment and no invoice not only are they condoning tax evasion, they are also hurting honest taxpayers. Under the table economic activity creates unfair competition to honest businesses, resulting in bankruptcies and loss of jobs. It means lost revenue necessary to sustain health, education and other essential eco-

nomic and social programs, and it means honest taxpayers must bear the burden of those who do not pay their fair share.

The preferred approach to reducing the underground economy is voluntary compliance. Therefore I call on all Canadians to just say no to tax evaders. If everyone pays their fair share we will all pay less.

* * *

[*Translation*]

FRANCO–ONTARIAN GAMES

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the Franco–Ontarian Games take place from May 19 to 22, at the André Laurendeau high school, in Vanier, which is part of the Ottawa–Carleton regional municipality.

Five hundred athletes, artists and performers from 60 Ontario French speaking high schools, as well as 250 young volunteers and community leaders are taking part in these games.

For the second year in a row, these games provide young Franco–Ontarians with an opportunity to come together and participate in friendly competition. This gathering of young people reflects the vitality of the French language in Ontario, while also giving us hope regarding the future of the French fact.

I join the hon. member for Ottawa—Vanier in congratulating the organizers of these games and in wishing luck to all participants.

* * *

[*English*]

LEARNING DISABILITIES

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I stand in the House today in order to raise an extremely important but often ignored problem in Canada. Learning disabilities presently affect between 5 per cent and 10 per cent of the population, which translates into two or three children in every classroom. With the proper guidance these Canadians, with average to above average intelligence, are quite capable of functioning normally in mainstream society.

Such guidance is increasingly provided by such organizations as the Learning Disabilities Association of Canada. Since 1963 this non–profit volunteer organization has been committed to the advancement of people with learning disabilities. The association serves Canadians from coast to coast in more than 140 different communities.

• (1105)

It is my pleasure today to recognize the continuing commitment of this organization in helping citizens afflicted with this disability. With the aid of this association, Canadians with learning disabilities will continue to be a vibrant and productive part of our society well into the future.

* * *

[*Translation*]

NEW ARENA IN WINNIPEG

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, in the wonderful world of politics, it is not unusual to see signs of government posturing after it makes dubious decisions or budgetary choices that are in the very least debateable.

Yesterday, in a very clumsy attempt to deflect criticism, the Prime Minister's behaviour was a prime example of this when he tried to justify the federal grant for the construction of a new arena in Winnipeg under the pretext that it was needed for the 1999 Pan American Games.

I would like to mention a few facts which should debunk this myth. First, Winnipeg's designation as host of the games was not contingent on it building a new arena. Second, the list of competitive sports featured in 1999 will only be issued in September 1995, and hockey is never featured at summer games. Last, an arena with a capacity of 22,000 is not needed for volleyball competitions: a capacity of 17,000, such as in the current arena, suffices. So how can the government continue to maintain that this grant is not an attempt to save the Jets?

People are not stupid. Confronted with these irrefutable facts, the Prime Minister should have—

The Speaker: I regret to interrupt the hon. member. I am now giving the floor to the hon. member for Calgary Northeast.

* * *

[*English*]

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, to date 81 of 87 members of a Chinese investment delegation who came to Canada on visitors visas have disappeared and gone underground. It seems they were well aware of the government's let them all in immigration policy and the minister's generosity.

Now some of the delegates have turned up to make refugee claims. Now they are entitled to free health care, welfare and lawyers at taxpayers' expense.

This episode should serve as a warning. Next year the immigration minister in his infinite wisdom will be issuing visas and the health minister will be handing out $1 million to bring to Canada 500 AIDS sufferers from the third world to attend a conference in Vancouver.

Since AIDS sufferers have been granted refugee status already in Canada, the question is not if some of the 500 AIDS sufferers will jump ship and make a refugee claim, but how many.

I call on the government to use a little common sense. Enforce the law. Do not give visitors visas when Canadian safety is at stake.

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MISSING CHILDREN

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, Thursday, May 25, is missing children's day. Every year in Canada police receive thousands of reports of missing children. The overwhelming majority of these cases, about 45,000, are runaway children. Too frequently these runaway children turn to the streets and engage in delinquent activities as a means of support. This makes them extremely vulnerable to further violence and exploitation while on the streets.

A cornerstone of the federal government's efforts to protect Canadian children is the RCMP's missing children's registry. In operation since 1986, the registry is the major source of computerized information on missing children in Canada. It supports the efforts of Canadian and international police and concerned agencies in the search and recovery of missing children.

The RCMP has also joined forces with National Revenue Canada and citizenship and immigration in a joint initiative called "Our Missing Children". This partnership has resulted in a significant increase in the recovery and safe return of missing children here and abroad.

Protecting our children is a collective responsibility.

* * *

[*Translation*]

ABORIGINAL AWARENESS WEEK

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, May 22 to May 26 is Aboriginal Awareness Week. The goal of this week is to heighten public awareness of the aboriginal culture and to honour its contribution to Canadian society.

[*English*]

In keeping with the spirit of this event I am pleased to inform the House that last April marked the 3rd anniversary of the implementation of the federal government's first nation policing policy. The policy provides a practical way to improve the level and quality of policing services for first nation communities through the establishment of policing agreements.

[*Translation*]

As of May 1, Canada and the provinces had reached and signed 41 tripartite agreements with First Nations communities.

[*English*]

These agreements represent concrete progress and partnership at work among First Nations, the government and our provincial counterparts. I am sure all Canadians will join me in celebrating aboriginal awareness week and congratulating the Solicitor General of Canada for the ongoing success of the First Nations policing policy.

[*Translation*]

I would invite all hon. members to acknowledge the contributions of aboriginal people, which are all too often ignored by the official opposition.

* * *

• (1110)

MEMBER FOR CHAMBLY

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the "brotherhood of Bloc intolerance" welcomed a new member into the brood yesterday. It took him a few weeks to do it, but the Bloc member for Chambly has joined ranks with his colleagues, the Bloc members for Louis-Hébert and Chicoutimi, who are demanding that newcomers to Quebec be denied the right to vote because they fear that they will impede Quebec's independence.

In fact, the hon. member insinuated that Quebec's immigrants, who have contributed to the province's economic and social development for years, do not have the same rights as those Quebecers whose ancestors were among the first settlers. This tendency among Quebec separatists to create different classes of citizens based on their language or their cultural origins cannot be tolerated and must be emphatically condemned.

Quebecers do not want to create an independent Quebec which promotes discrimination and racism.

* * *

QUEBEC CITY CONVENTION CENTRE

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, yesterday the Prime Minister said smugly that if Quebec City did not receive federal funding to build a new arena it was because its separatist mayor had decided to spend the money on something else.

Once again, the Prime Minister is so intent on putting sovereignists in their place that he simply forgets the facts. Construction of a convention centre in Quebec City was a first and foremost a promise by the provincial Liberals that came to fruition only because of the insistent lobbying by the Prime Minister's current chief of staff and the present Minister of

Foreign Affairs, in other words, because another Liberal government got involved. The Prime Minister ought to know as well that Quebec City is not investing a single penny in the construction of this convention centre, which is being financed strictly by the Government of Quebec and the government in Ottawa.

Finally, I will repeat what was said by Mayor L'Allier and I quote: "We are penalized for not showing the flag. This is hardly what I would call democratic, and the real republic—"

* * *

[*English*]

WINNIPEG JETS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the Liberals are continuing to seriously bungle the finances of the country, thereby threatening health care, welfare and post–secondary education. Unbelievably, they are to give $20 million to the Winnipeg Jets professional hockey team with its multi–million dollar, fast skating stick handlers.

The Manitoba Entertainment Complex applied to Revenue Canada for special tax status which will allow it to create some form of a crown owned entity which would be eligible to give instant tax receipts. Canada's tax gathering system means every Canadian will be supporting the Winnipeg Jets professional hockey team. This is an unconscionable use of tax deductions.

I call on the revenue minister to immediately shoot down this ridiculous Jets plan. The Liberals have stick handled their way into a hat trick with their $20 million for the Jets, private luxury boxes, new digs for the athletes and now tax deductions for supporters. The result is penalties to the Canadian taxpayer.

* * *

GUN CONTROL

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, aboriginal groups from across the country have made presentations regarding their concerns about Bill C–68, the firearms legislation.

The James Bay Cree and the Council for Yukon Indians have presented well documented briefs which illustrate the government did not initiate the required consultation process on this legislation. The onus was on these two groups to hold the government accountable for the agreements which have been made.

Given the CYI agreements were proclaimed in February of this year, it is quite shocking that barely four months later the Minister of Justice had not complied with certain aspects of the agreements.

While these agreements are between two parties, it is inevitably the First Nations that are expected to ensure compliance with even constitutionally entrenched agreements. Is it any wonder there is a high degree of mistrust of the federal government by aboriginal peoples?

The Inuit–Tapirisat, the AFN and the Metis have all presented their concerns. The minister has said he will consult. What he has not said is what he will do to meet these specific concerns. The minister has both a legal and a moral obligation to be forthright and address these issues today.

* * *

ONTARIO ELECTION

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, after listening to last night's Ontario leaders debate, there is no question Lyn McLeod is the best choice for premier of Ontario. She showed she has the intelligence and the integrity for the job and the determination to do what needs to be done. With her action plan she has the ability to achieve it.

• (1115)

Bob Rae was consistently put on the defensive by McLeod over his dismal economic record. He failed completely to live up to his billing as a champion debater.

Mike Harris failed to gain any ground, and the Liberal leader was successful at proving that Harris could not defend his unbelievable 30 per cent tax cuts. He failed to show himself as a potential leader of the province.

Lyn McLeod used the debate to sell her plan to Ontarians. She focused on the issue of jobs and highlighted the specifics of how her government will create these jobs.

McLeod won the debate and the respect of Ontario voters looking for credibility. She proved that her plan and her team can capably guide the economy in these challenging times. She will win the election on June 8 and restore growth and prosperity to Ontario.

* * *

[*Translation*]

ONTARIO LIBERAL PARTY LEADER

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, last night in the debate among the party leaders running in the Ontario election campaign, we again had the pleasure of listening to Lyn McLeod, leader of the Liberal Party of Ontario.

With great eloquence and sincerity, she showed that she is ready to take over the reins of the government in Ontario. Her style, clear and forthright, reflects her firm resolve to serve the people of Ontario.

There is no doubt in my mind that Lyn McLeod is worthy of representing her fellow citizens. A few weeks from now, Ontarians will at last be free and unencumbered by the savage

constraints of socialism à la Bob Rae. At last they will be able to put their trust in their leaders.

ORAL QUESTION PERIOD

[*Translation*]

WINNIPEG JETS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

In the context of the announcement of $20 million in direct assistance to the Winnipeg Jets, Izzy Asper, the head of a group of businessmen trying to acquire the hockey team, has confirmed that discussions on federal funding for the Jets have been going on for a long time.

Would the Deputy Prime Minister confirm Mr. Asper's statement that discussions have been going on for a while between the federal government and the promoters trying to save the Winnipeg Jets?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, unfortunately, the member is mistaken. There is no direct assistance for the Jets.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, pardon me if I laugh. Answers like that are a laugh for everyone.

Yesterday, the President of Treasury Board confirmed having found funding for the Winnipeg Jets with the cancellation of a $35 million highway contract. In the meantime, however, the Prime Minister was stating in this House that the funding had come from the cancellation of a series of small projects worth $3 million, under the infrastructure program.

My question is simple and straightforward and, I am hoping for an answer from the Deputy Prime Minister. Would she tell us clearly which projects were cancelled to pay for the government's $20 million subsidy to the Winnipeg Jets?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the very specific project that was referred to was a $30 million overpass near a CN mainline, and the member will know that the overpass project was opposed by many constituents. I personally received letters as Minister of the Environment in opposition to the project. The decision was made by the local community not to proceed with it.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the owners of the Winnipeg Jets will decide next Thursday whether the franchise will remain in Winnipeg. The federal government, for its part, yesterday agreed to pay $20 million toward the construction of the new arena the Jets need.

Would the Deputy Prime Minister tell us whether the federal government's funding is conditional on the Jets' remaining in Winnipeg or whether it will still be provided to build a 22,000–seat arena even if the Jets leave Winnipeg?

• (1120)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in putting the infrastructure system in place, we gave municipalities and provinces the option of making their own decisions.

We do not agree with the comments by the Leader of the Opposition, Lucien Bouchard, who has a hard time believing that Ottawa would spend public funds to refloat a hockey team. In his opinion, the federal government would be wrong to invest in Quebec City or in Winnipeg.

We do not agree with this approach, because we feel that, if the mayor of Quebec City chooses a project, he should be entitled to proceed with his choice. This is why we agreed to fund the infrastructure program in Winnipeg, just as we did in Quebec City.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, my question is also for the Deputy Prime Minister.

The Deputy Prime Minister of Canada seems to be the only one not to know that she has just given the Winnipeg Jets $20 million. The premier of Manitoba and the mayor of Winnipeg both are not hiding the fact that they want to save the Jets franchise.

How can the Deputy Prime Minister put $20 million in a 22,000–seat arena for the Winnipeg Jets, without any business plan, whereas, last year, the attendance figure per game was 12,500 on the average and the team has lost $30 million over the past four years?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we did what people in Winnipeg and Manitoba wanted, just as we did when we decided to fund the congress centre in Quebec City, at the request of Mayor L'Allier who said, and I quote: "The congress centre has been a regional priority for the past ten years. Economic spin–offs are proven. We cannot sideline the centre which, year after year, employs thousands of people in the hotel and catering industry, for some infrastructure this area does not need, but which is needed by one company to survive here. This is the reason why I cannot support Marcel Aubut's approach". This is exactly what the mayor of Quebec City said.

We respect Quebec City's decision to spend money on a congress centre, just as we respect the wish of people in Winnipeg to spend infrastructure money on an arena.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, why is the Deputy Prime Minister refusing to admit that the federal government uses double standards when it deals with Quebec? Indeed, when asked to come to the rescue of MIL Davie—the industry minister knows this well—and its thousands of workers, who do not skate for one million dollars a year, the government demands to see a business plan, but when it comes to the Winnipeg Jets, the money is paid without conditions or guarantees.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we respect the will of cities to make their own economic decisions. Quebec City chose a congress centre and received $25 million from the federal government.

Similarly, Winnipeg chose to build an arena to promote economic development; this is why we are giving this city its fair share, just as we gave it to Quebec city for its congress centre, the first project awarded under the infrastructure program.

* * *

[*English*]

INFRASTRUCTURE FUNDING

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the hockey fans and businesses in Winnipeg deserve a great deal of credit. They have come together and are well on their way to keeping the Jets in Winnipeg and in Canada.

What I have to question, however, is why infrastructure money is being used to build luxury boxes and to subsidize a professional hockey team. This program was supposed to improve sewer systems and make Canadian highways safer. Instead, it is going toward boccie courts, the Calgary Saddledome millionaire club, and the Peter Pocklington bottom line. The infrastructure program is a failure.

How does the Deputy Prime Minister justify Manitoba's reallocation of infrastructure funding?

• (1125)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): In the same way we justified the decision by the city of Calgary to finance infrastructure funding for the Saddledome.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the Deputy Prime Minister is quite right that it is up to the province or the city and they make their request. However, the issue is why the infrastructure program is designed in such a way as to make hockey arenas, museums, and other sports facilities a legitimate expense.

Canada's sewers and roadways are deteriorating. It will cost taxpayers billions of dollars to replace them. Infrastructure that benefits the maximum number of taxpayers should be the goal, not political gain.

Where will the money come from for the real infrastructure spending that will be required?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I am amazed that the member for Calgary, the city that hosted the Olympics, and the world had an opportunity to see his great city, is now saying that infrastructure is a bad investment.

Infrastructure in sports is also about nation building. That is why I am sure he would not want to turn his back on the infrastructure spending that paved the way for the Calgary Olympics, nor would he want to turn his back on the infrastructure spending that made it possible for the Saddledome.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, true infrastructure spending is fine, but direct subsidies to the private sector are not fine. The taxpayers are against that.

We learned yesterday that the save the Jets group in Winnipeg is considering applying for charitable status. That would make every donation tax deductible, and then tax weary Canadians would be picking up even more of the tab. The Minister of National Revenue said it was out of the question. However, the Manitoba Entertainment Centre applied for charitable status six weeks ago. Since the Jets have received so much government money and will be receiving more now, they should consider renaming themselves the Winnipeg Challenger Jets.

Will either the Deputy Prime Minister or the representative of revenue and taxation assure the House and Canadians that the Jets and their supporters will not receive charitable status?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member exhibits what I hope is an unintentional misunderstanding of the infrastructure program. He says there are direct subsidies. There are no direct subsidies.

What we have done for Winnipeg is exactly the same thing we did for Calgary at the request of the former mayor of Calgary, Premier Ralph Klein, who endorsed the Saddledome funding.

Frankly, I did not see the member for Calgary stand up and complain about the Calgary Olympics; he did not stand up and complain about the Calgary Saddledome. Heavens, he should not stand up and complain about the Winnipeg arena, which is going to permit a Canadian national institution to stay in Canada.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

Yesterday, the Prime Minister said that $5 million out of the $20 million spent on saving the Winnipeg Jets came from the Pan American Games budget. Yet, no event featured in these games requires a 22,000 seat arena.

Since no event featured in the Pan American Games requires building a 22,000 seat arena, will the Deputy Prime Minister admit that, by taking $5 million from the federal contribution to the Pan American Games and giving it to the Winnipeg Jets, the government is in fact misappropriating public funds?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in fact, just as we will accept the decisions made by the Québec 2002 committee as to the need for a renewed infrastructure, should that city be selected, we accept the decision made by the Pan American Games committee to set aside $5 million, precisely because it wanted to put in place the infrastructure required for future Pan American Games in Canada. We respect the committee's decision, just as we will respect those of the Québec 2002 committee.

• (1130)

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the minister's response makes no sense. This is appalling.

Since Winnipeg hosted the Pan American Games in 1967 and has just been selected as host of the 1999 games, in particular because it already has all the facilities required, why does the Deputy Prime Minister refuse to admit that the Prime Minister was the first to authorize the misappropriation of $5 million solely to serve the political interests of the human resources development minister, who is the person responsible for Manitoba and the member for Winnipeg South Centre?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, what I find unfortunate and dishonest—

Some hon. members: Oh, oh.

Ms. Copps: —about the opposition's stance is their claim that what we did for Winnipeg, we are not willing to do in other cases.

We simply respected Quebec City's decision, which was supported twice by Mayor Jean–Paul L'Allier, to build a convention centre in order to promote its economic development.

In the same way, we have accepted the request made by the City of Winnipeg and the Manitoba government, which feel that this infrastructure is important to Winnipeg's economic development.

If you agree with the principle that Quebec City is free to make its own decisions, why do you not accept it for other cities?

The Speaker: My colleagues, I must remind you that you should always address the Chair.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, to set the record straight for the Deputy Prime Minister, the hon. member for Calgary Centre publicly denounced the government for the misuse of infrastructure funds on the Saddledome in Calgary. To bring him into it is absolutely unfair and uncalled for.

I want to continue to shed light on the Liberals' bailout of the Winnipeg professional hockey team. She did not answer the question. The Manitoba entertainment complex has asked for charitable status. Will she, on behalf of her government, unequivocally state that the government will not give the Manitoba entertainment complex or any organization related to this unconscionable bailout charitable status?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, there is no bailout.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I will ask the question again. Will the Deputy Prime Minister unequivocally state on behalf of her government that there will be no special status, no further tax grab from the Canadian wallet?

Is there anything she does not understand about my question?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I understand that the basic premise of the member's question is false. There is no bailout of any hockey team.

I am astonished the Reform Party, which swept into office in western Canada on the wave of allowing people to have their say locally, is now prepared to turn its back on the local initiative of the city of Winnipeg that sees this is a priority. Who are you—

• (1135)

The Speaker: In the heat of rhetoric we sometimes get carried away but I am feeling awfully lonely. Please address your remarks to the Chair.

* * *

[*Translation*]

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

Mr. Gauthier: Perhaps we will finally get an answer.

Mr. Loubier: Since he itabled his budget on February 27, the Minister of Finance keeps repeating that, next year, the cuts in transfer payments to the provinces will represent only a $350 million shortfall for Quebec, mocking the $650 million figure put forward by the official opposition.

Yesterday however, in his testimony before the finance committee, Bill Murphy, a senior official at the Department of

Finance, assessed this shortfall at $625 million, which is very close to the amount put forward by the official opposition.

In light of the statements made by finance officials, does the Minister of Intergovernmental Affairs still maintain, as his colleague from finance does, that cuts in the Canada social transfer will translate into a $350 million shortfall for Quebec in 1996–97, and not $650 million as suggested by the official opposition?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there are three factor affecting transfers to the Province of Quebec: equalization payments, tax points and cash payments.

When Bloc members or the Parti Quebecois finance minister quote an amount of approximately $650 million, they are not taking into account tax points or equalization payments, or both.

I repeat that the exact shortfall figure, when you factor in the reduced transfers to Quebec and these three sources, is only $350 million.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the federal government has control over its cash transfers to the provinces and those are the transfers that were cut back in the last budget. These cuts total $650 million for Quebec. The federal government's own officials said so yesterday. They are the ones who brief the Minister of Finance and they should brief this government.

Why does the Minister of Intergovernmental Affairs persist in denying the facts, if not to conceal from Quebec until after the referendum the true extent of Ottawa's cuts to social program funding? The shortfall will reach $650 million next year.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, one cannot conceal the truth by playing with figures. It was clearly set out in the agreements negotiated by the federal government and the provinces—read them—that transfers to Quebec would be in the form of tax points and cash payments.

Also, equalization payments are not freebies given for one reason or another to the provinces. These payments are made to have-not provinces, so that all the provinces, rich or poor, can offer comparable levels of public services. Consider that more than 60 per cent of provincial expenditures are social expenditures. So, equalization payments are clearly part and parcel of the transfers designed to fund social programs.

Logic demands that the three types of transfers be taken into account in determining that the shortfall is only $350 million.

[*English*]

PENSIONS

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the Minister of Industry thinks that highly paid CEOs set a bad example for ordinary Canadian workers. I think I have heard it all now.

The minister is eligible to receive $1.5 million in pension payments in a plan that is three times more generous than the best private sector plans. What kind of an example does he think this sends to the ordinary Canadian workers who are paying for it?

• (1140)

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to explain exactly the point I made in a speech I gave to the Canadian Association of Family Enterprises last week.

At this stage in our economic cycle when corporate profits are recovering, which is a very good sign, it is time for Canadians to continue to invest in further productivity gains and further competitiveness as we had through the economic cycle.

We have been very successful in gaining competitive points vis–a–vis the rest of the world although much of it has unfortunately been based on our exchange rate. We need to continue to save and continue to invest.

Canadians from coast to coast have lived on no increase in family income on average over the past 10 years. They will be asked by their corporate leaders to continue to keep their belts tight as federal public servants have and as all members of the House of Commons have by not taking a wage increase in over five years. The time is not yet to start raising wages. The time is now to continue to invest and save.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I respectively suggest that the minister and the government should save their managerial advice for the companies that managed to lose over $35 billion last year.

I wonder what business the government and the minister think they have commenting on the issue of private compensation when yesterday the government, in alliance with the separatists, decided that it would refuse to hear testimony from private citizens, from private organizations and from ordinary taxpayers on the issue of MP pensions.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I think one point needs to be made very clearly. I made the point in the interview I gave based on that speech. I really do not have any particular interest in what any CEO is paid. I am not a shareholder of any of the companies.

However what is clear is that Canada stands poised to succeed very well on issues of competitiveness in the world. Now is the time for us to continue to save and invest.

This man wants to talk about pensions. That is all they really think about. I will tell him something. When we deal with issues of compensation in the House, let us talk about what it costs many people to be here as well. Let us cost out what the forgone opportunities are. Then we will put everybody on an even footing.

At the same time let us also recognize that members come to Ottawa to serve their constituents often at great cost to themselves and their families. We are looking for a recipe for continuing competitiveness in the world. In that way we will benefit all Canadians.

* * *

[*Translation*]

IMMIGRATION

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Once again, the minister has refused to grant entry visas to three Algerian actors scheduled to participate in the Theatre Festival of the Americas, in Montreal. At the same time, we have learned that Mr. Abdennour who, according to the Quebec–Algeria committee, is a lawyer close to the Islamic salvation front, was granted a visa by the Canadian embassy, in Paris.

How does the Minister of Immigration explain the fact that a person close to the Islamic salvation front can come to Canada without any problems, while Algerian actors who denounce torture and fundamentalism cannot do so?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member is mistaken because the minister has refused no visitor visa to anyone. The visitor visa is done on a processed basis. It should be done fairly and not with any favouritism to anyone regardless of background.

There are a million applications for visitor visas. Surely the member does not expect a minister or a government to be interventionist with visitor visa applications easily and loosely. Eighty–five per cent of all applications are approved.

There is a process in place that if a visitor visa is refused, the remedy is to reapply and try to address some of the concerns. The member should know one of the three actors has gone to the embassy today to make such a formal reapplication. The other two actors have not seen fit to go back.

We should allow the individuals to do as they please, rather than to force the issue and play politics on the backs of a visitor visa program.

• (1145)

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I appreciate the minister's explanations, but this is not the first time that such a situation has occurred.

Given the obvious incompetence of his departmental officials at the Canadian embassy in Paris, who make surprising decisions almost on a daily basis, will the minister tell them to shape up, so as to put a stop to these errors in judgment, which have become too frequent?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, his leader used to be a Canadian ambassador to France, situated in Paris. It was under his leader's jurisdiction as well that some visitor visa applications coming through France were accepted, some were refused, and some were reviewed. That was the process when his leader used to be a Canadian ambassador in France. That continues to be the process today.

What I would suggest is that the situation in Algeria, by no means easy or by no means orderly, should be solved by the international community. What I would suggest to the hon. member, however, is that to utilize a visitor visa program for any one country is not the solution and it would jeopardize our visitor visa program internationally.

There is a way to deal with refugee crises. There is a way to deal with how to utilize a country's forces to address a destabilized area. That solution, however, does not lie in a visitor visa program.

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INTERNATIONAL TRADE

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, my question deals with international trade.

A recent study by the accounting firm KPMG has indicated that cheaper labour, cheaper benefits, and a cheaper dollar make Canada a very competitive place in which to do business, more competitive in fact than the United States.

Would the minister please tell the House what this study means to Canadian workers, to Canadian business, and to Canada's role in the global community?

Hon. Roy MacLaren (Minister for International Trade, Lib.): The report to which the hon. member for Hillsborough refers substantiates the conclusions of similar studies in the recent past that have emphasized Canada's highly competitive position in the global marketplace. Thanks to a number of

measures that have been taken, including such factors as payroll and benefits, material and energy inputs, taxes, research and development costs, and distribution costs, as the report notes, Canada has become increasingly competitive.

I would want to emphasize that in creating jobs through such international competitiveness, the principal factor that is going to play in the future is the excellent budget the Minister of Finance brought down, which will increase further Canada's competitiveness.

* * *

EBOLA VIRUS

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, phone lines have been lighting up in my office in Ottawa and in my constituency over the Ebola virus. People believe that they are not being protected by their own government. They are frustrated with the health minister's non–answers to direct questions.

Now that we have the minister in a forum where she cannot run away, I ask the minister why she chose to withhold information from Canadians regarding the number of people who have been detained at Pearson because they were suspected of carrying the Ebola virus.

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, no information has been withheld. We have been quite straightforward about describing the two individuals.

The first individual arrived in Toronto. It had been three weeks since he had been in Zaire. The period of incubation had passed. The gentleman was nevertheless examined by a physician and was found to be in very good health.

The second individual arrived in Toronto. He claimed that his mother had died after visiting Kikwit. He has been detained, is under quarantine. Nevertheless, he is in good health and has no signs of illness.

These are the facts.

• (1150)

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, that is the same kind of babble we heard yesterday.

Canadians need to know if they have a Minister of Health and a Minister of Immigration who have the wherewithal to take direct proactive measures to protect the health of Canadians.

There is a simple solution to all of this. Will the immigration minister put Canadians' minds at ease by stopping the threat at the source? Will he place a temporary moratorium on visitors' visas from Zaire and surrounding regions until this disease is safely contained there?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I find this member of Parliament irresponsible in the way he is trying to exploit the situation.

What the member should do is take a page from the health critic of the Reform Party, who yesterday said—and he is a doctor—that the government's action and approach to dealing with this dilemma were "sensible".

Today instead we have the immigration critic, who is not a doctor and not responsible or respectful of what his colleague said, saying his phone is lighting up and things are on the downslide. You are fearmongering, that is what you are doing.

Some hon. members: Oh, oh.

* * *

[*Translation*]

GOVERNMENT CONTRACTS

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

Following a review of all outside research contracts awarded by the Department of Natural Resources in the last five years, we came to some pretty damning conclusions. Our study indicates that Quebec research centres and companies got only 10 per cent of these contracts.

How can the Deputy Prime Minister justify the fact the Quebec gets less than half of its fair share of those outside research and development contracts?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I thank the hon. member for his question. Obviously, we are not responsible for the contracts awarded by the previous Conservative government. Obviously, we are not responsible for the funds allocated in the last five years.

We will of course try to direct our grants on the basis of need. For example, a national pulp and paper centre was set up in Montreal, because that is where most of the interest and the technology in that field can be found. I do not think we will start to allocate funds according to regional development. We should instead spend the money where the expertise is, such as for mining in Abitibi and PAPRICAN in Montreal.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, again, the Deputy Prime Minister just sold us a bill of goods.

The Minister of National Defence said recently that he could not afford to be fair to Quebec in terms of the distribution of his department's spending. Are we to understand that the Deputy Prime Minister is in the same position and has neither the will nor the means to be fair to Quebec?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not know where some of these people get their quotes. I never said that at all. I would never say that.

I was pointing out a situation in which certain expenditures are made across the country. Certain installations are built across the country as a result of historic circumstances. To imply that there was something discriminatory in this is completely outrageous.

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GASOLINE ADDITIVES

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my question is for the Minister of the Environment.

The government has legislation ready to be tabled in this House that would ban the importation of MMT, a gasoline enhancer. The ban is based solely on evidence provided by only one of the two vested groups, namely the Motor Vehicles Manufacturers' Association.

The minister stated in the House on May 5 that "any cabinet decision to move on MMT is supported by all ministers of the government".

• (1155)

By making this ban, is the minister setting a precedent of bias for the process of decision making for all the industries within the purview of government, including natural resources?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my supplemental question is for the same minister.

By banning MMT her government is supporting the claims and data brought forward by only the MVMA. This must mean that the contrary scientific data from Ethyl Corporation is false and incorrect.

What conclusive information does the minister have that discredits the data provided by Ethyl Corporation that would cause the government to side with the MVMA and thereby perhaps place the environment at greater risk?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am not sure whether the hon. member has thought of a different use for the product we all buy at the pumps. Perhaps he has. I am not sure what it is. The last time I checked, most of it goes into motor vehicles.

He will know that Canada has benefited very well from the fact that there is a very strong continental market in motor vehicles. We produce about 17 per cent of the North American production and we only consume about 8 per cent. That benefits us very directly in terms of jobs and economic growth.

The vehicles that are being produced use the product at the pumps. It should have come to his attention that the new cars require fuel without MMT. If he would like to have his constituents purchasing vehicles that either cost a lot more or have their diagnostic systems unplugged, then he ought to be in support of keeping the MMT in the fuel. But until we find some other use for it—and perhaps he breathes it, I do not know—we have to have continental standards in fuel.

* * *

GUN CONTROL

Mr. Elijah Harper (Churchill, Lib.): Mr. Speaker, my question is for the Minister of Justice.

Aboriginal groups have criticized Bill C–68, the minister's gun control legislation. As a treaty and First Nations member, these criticisms are of great concern to me and I take them very seriously.

Treaties form the fundamental relationship that exists between the First Nations and the Government of Canada. Treaty rights are recognized and protected under the Canadian Constitution. Will the minister tell the House and assure the aboriginal people of Canada that Bill C–68 will not take away, abrogate, or derogate these treaty rights?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is the intention of this government to treat all Canadians fairly in connection with this legislation. We also are very much aware that aboriginal people have both aboriginal and treaty rights to hunt, and we intend to respect them.

I learned for myself as I travelled the length and breadth of the country last year and visited aboriginal communities how firearms are often treated as a tool and how their use is very much a part of their way of life.

The way we responded to this need is through consultation. Just after the action plan was tabled in the House last November 30, some 690 letters went out with copies of the plan to the aboriginal leadership across Canada. We wrote again to those same 690 leaders of aboriginal communities early this year. We followed up, with the help of about 70 of them, in assembling one of the most comprehensive and unprecedented consultation processes known to the government. In nine regions of Canada we are meeting with representatives of rural, urban, on reserve and off reserve aboriginal persons. In the coming months we will conclude that very direct and personal discussion process to determine how this bill can be implemented in a manner that is sensitive to the reality of aboriginal lifestyles, culture, and treaty rights. We will then prepare regulations, which will be

sent in draft form for comment to those same people. We will then table them in the House for the 30-day review.

We intend to comply with our obligations and respect the rights to which the hon. member has referred.

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[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, it is a shame that almost two years after having been elected, the government has not yet amended the Canadian Human Rights Act to include sexual orientation in the prohibited grounds of discrimination.

Will the Minister of Justice have the courage and the sense of responsibility to table amendments to the Canadian Human Rights Act before the end of this session?

• (1200)

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, what is not an issue is the commitment of the government to the changes in the human rights act to which the hon. member has referred.

I must tell the hon. member today, as I have in the past, that commitment remains unchanged. We have long recognized the need to amend the human rights act as he has suggested, not only to add sexual orientation as a ground upon which discrimination is prohibited but in a variety of other important ways. This is to bring that act up to date to reflect improvements that have been introduced in provincial legislation on the same subject, to meet the needs identified by the chief commissioner of the Canadian Human Rights Commission, and to fulfil commitments the government has made. We will indeed proceed with those changes.

* * *

ABORIGINAL AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, recently a program on Manitoba television, which included an interview with the department of Indian affairs supervisor in Manitoba, identified that the Jackhead Band had misspent money, cheques had been forged and the RCMP were investigating the disappearance of over $70,000 for house construction. This situation has placed individual band members in very tough financial circumstances. The department of Indian affairs has exhibited no interest in their welfare.

What has the minister done to ensure these abuses will be rectified and to obtain reimbursement of these moneys?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am well aware of what is going on in Jackhead. This is under review by the department. I am pleased the hon. member has risen today because he has not risen in a week. Usually I find all 10 of his toes do not touch the ground.

Last Friday, this hon. member made an allegation against the member for Prince Albert—Churchill River. I thought today this hon. member would stand up and withdraw. He said the hon. member was honoured by the chiefs and he was in a conflict position. Not only was he not honoured but it was not a conflict. I would have thought that if he wanted work to progress with aboriginal people, he would take Fridays and speak about the dignity and respect we are supposed to bring to aboriginal people, not bring unjust accusations which he usually does on Fridays.

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

North American security is threatened more on the environment than on any other front. Now the U.S. clean water act and the clean air act are under attack. We learned that the U.S. House of Representatives has diluted the clean water act making it easier for industry to continue polluting the Great Lakes with airborne dioxins and furans.

What effect could these amendments have on Canada? What action is being taken to ensure the Great Lakes water quality agreement is upheld?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, indeed the member has underlined a very serious concern. If the proposed amendments that have passed the House of Representatives proceed through the Senate without amendment, they will gut the current provisions of an international agreement which affects the drinking water of 50 million people on both sides of the border.

The member will know the single largest international body of water is the Great Lakes. We do not intend to allow the Great Lakes water quality agreement to be watered down. We have been in touch with the office of the president.

Today I myself have contacted by letter the administrator responsible for the Environmental Protection Agency. We have also been in contact with Ambassador Blanchard by way of letter in advance of the decision of Congress.

We are going to do everything we can to ensure the amendments put forth by Congress do not see the light of day. We do not want to put Canadians' health and the environment at risk, which would be the effect of accepting these amendments.

The Speaker: That would bring to a conclusion the question period. I have notice of a question of privilege from the hon. member for Elk Island which I will hear now.

* * *

PRIVILEGE

STANDING COMMITTEE ON HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it has been over one and one–half years since I was elected as a new member to this most important Chamber in the country. I came here full of hope and anticipation of what the democratic process would be. The breach of privilege of which I speak today is such a severe aberration and breach of the most fundamental premises of democracy that I am really sorry I have to raise it.

• (1205)

I also recognize that what I am going to say is important. I realize your position, Mr. Speaker, is of tremendous importance here. In your office and in your person lies the ability to maintain the very basic premise of democracy and the rules under which it operates. I am asking today not only for your ruling, but also for your guidance because of my deep concerns.

I want to specifically give the reasons for my complaint. I was a substitute authorized member of the Standing Committee on Human Rights and the Status of Disabled Persons on Tuesday and Wednesday. I know, Mr. Speaker, you heard one question of privilege already and you ruled on that, but my problem is a different one and much more serious. It has to do with the conducting of a vote in that committee.

Specifically, this is what happened. Our party moved an amendment. When the chairman of the committee called for the vote, we said yea. There was not a single nay heard. The chairman ruled that the motion had been defeated. Now that is so fundamental it is not even in the rule book. It is assumed in a democracy that when everybody who casts a vote says yea and the chairman says that it has been defeated that it is a flagrant and violent abuse of democracy such as we cannot tolerate if we want to maintain our system.

The chairman declared that motion defeated and of course I immediately challenged the chair. When I did that, the chairman of the committee said that his ruling would stand. I objected and the chairman then invoked the rules of order which ask for the majority of the people in the committee to decide if the ruling of the chair stands. The Liberal majority woke up and they faithfully fell into line and supported the ruling of the chair. I could not accept that.

This was such a serious aberration that I told the chairman he could not do that. He said he could. I suppose I should have apologized at that stage for becoming a little upset, but to me this was such a violent attack on the democratic process. I then moved to report this incident to the Speaker because it was my understanding that such an issue could not come to you unless it was reported by the committee. I may be wrong here and I have some reasons for considering that I may be wrong, but that was my understanding at the time.

I moved the motion that this be reported, but the chairman would not accept the motion and ruled it out of order. I told the chairman it could not be out of order. He then proceeded to ask if the ruling of the chair was sustained and the majority of the members present said yes. Now that is unbelievable. I cannot accept that.

I appeal to you, Mr. Speaker, that this be corrected. There must be some things the committee does not have 100 per cent autonomy to do. It cannot by vote alter the truth. This is a democratic tradition that has been upheld for so long that an arbitrary rule of a motion defeated when in fact it has passed cannot be accepted.

If the majority of members were not paying attention and did not vote when they should have, just wishing that they would have been awake does not give them any justification for using their majority to override the previous vote. Only a person who voted on the side that won the vote can move a motion to reconsider. That was not done in this case. The chairman arbitrarily and incorrectly declared the vote lost and the members were not paying attention and chimed into his defence.

This is so serious, Mr. Speaker, that I appeal to you that some corrective action be taken. As I said in my preamble, I do require your assistance as well as your ruling because I want to know how to handle this. This cannot be accepted by this Parliament, the highest court of the land, as such a serious aberration of the democratic process.

• (1210)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with great respect for the comments the hon. member has made, there is a procedure for dealing with this matter. With the greatest respect, I think the hon. member ought to follow that accepted procedure.

The same point was raised in the House yesterday. Your Honour very properly ruled that there was not a question of privilege before the House because no report had been received from the committee.

I think the hon. member is confused, again with great respect to him, because I know he is trying to raise a very serious concern. He misunderstood the import of Your Honour's ruling yesterday, which was that this cannot be brought before the House until there is a report from the committee. By that statement I think he is inferring that there must be a report on the incident from the committee or else he cannot raise the matter.

I suggest that is not what Your Honour ruled or intended and it is not in accordance with the practice of the House. I refer the hon. member and Your Honour to citation 894 of Beauchesne's 6th edition. I will read paragraphs (1) and (3) under the citation:

> (1) Until the report and the *Minutes of Proceedings and Evidence* have been laid upon the Table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.

Then I will skip to (3).

> If alleged irregular proceedings take place in committee but are not referred to in the report that the committee presented to the House, then it is not competent for the House to go beyond that report to debate this matter.

The hon. member can clearly raise it in the House at the time the report comes. Whether it will be debated, he can raise it and ask Your Honour to rule. Certainly, there will be some indication in a report if there was a vote taken that something happened. There will be minutes of the proceedings of the committee indicating there was an appeal from the ruling of the chairman. That will be reported in the minutes of the committee and that will come to the House.

All those things will be reported in there. The hon. member will be able to debate those and comment on them in the House and raise his question of privilege, if indeed there is a question of privilege here, when that report has come to the House. Then Your Honour will be seized of the matter, we will have the report before the House and will be able to make some comment.

The difficulty and the reason that Speakers have taken the view that the proceedings in committees are not within the purview of the Chair is that until a committee has reported, the committee is master of its own proceedings. It may change what it has done and correct any errors. That is part of the reason for the rule. Committees can undo what they have done in certain circumstances and redo what they have done and thereby make them correct if there has been some error.

I suggest it is incumbent upon the hon. member and his colleagues on the committee in question to go back to the chairman of the committee, raise the issues before the chair and seek to have the matter rectified in the committee. I think the hon. member knows that there have been efforts made to see that this happens.

I suggest to him that the proper course to follow under the circumstances is to raise the matter with the chairman of the committee at another meeting of the committee instead of boycotting the meetings of the committee and make an effort to resolve the matter. I suggest if that is done it would be unnecessary for him to come to the House with a question of privilege. He would probably find that perhaps not all, but the majority of his concerns would be fully dealt with. He would realize the wisdom of the actions of the chair at one point or another in the proceedings and we could get the matter resolved there, which with all due respect, is where it should be resolved.

I do not want to suggest that this sort of thing has not happened before. I was in opposition before. I know how committees work. Sometimes things can happen in committees that hon. members feel strongly about and they wish had not happened. That happens on both sides of the House.

I assure the hon. member that I know in this case the chairman of the committee is eminently reasonable. If the hon. member will meet with the chairman in an effort to resolve the matter, I think there can be a satisfactory resolution so far as we can arrange it before the matter comes back to the House in the report. At that time if the member wishes to debate the proceedings of the committee, he is free to do so pursuant to the standing orders.

The Speaker: I will listen to the hon. member for Fraser Valley East.

At this point, it is my interpretation that with what was brought up yesterday in the House there seems to be a slight variation on the whole thing. May I ask, was the hon. member present at the committee?

• (1215)

There seems to be a slight variation on the whole thing. Was the hon. member for Fraser Valley East present at the committee?

Mr. Chuck Strahl (Fraser Valley East, Ref.): No.

The Speaker: I will permit an intervention by the hon. member but it should deal precisely with this point and not refer to any other decision taken.

Mr. Strahl: Mr. Speaker, the hon. member is referring to a separate incident from the one I brought forward at a previous date because of a series of events that continues to happen in the committee.

The Speaker has asked for us to wait for the report to the House. The problem is when incidents such as the one the hon. member for Elk Island has mentioned come up in committee and we ask it even to be reported to the House we are told it will not be reported to the House. We not only cannot debate but we cannot introduce amendments, we cannot ask questions of witnesses, we cannot in some cases even vote.

Then when the votes happen sometimes they are overturned by the hammer of the chairman. Then when we raise these issues and say could it not be reported to the House we are told no. Then they appeal to the committee and the committee says it will not report it.

We are at wits end. We cannot do any of the democratic roles of an opposition. We cannot do any of the things I have described, the legitimate role in opposition. When we want to

raise it for investigation or for future reference we are told we cannot even do that. We cannot do any of the roles given to us, privileges as members of Parliament. When we raise points of privilege we are told they will not even be reported to the Chair.

We are at wits end. We cannot fulfil our job, our duty and our responsibility to raise issues of great concern to Canadians. We really feel the Chair needs to intervene. This is the second case, I realize.

The transcripts are in. We could start to go over them. There is a serious breach of democratic rights. We must get it addressed before this committee continues.

To say we refuse now to attend is true. I cannot go to a committee in which the chairman says I have no rights and asks me to sit down.

The Speaker: I will hear from the hon. parliamentary secretary first.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, my only reason for intervening is this incident has affected the Standing Committee of Foreign Affairs and International Trade.

A Reform member came to bring in a motion that the chairman abide by the standing orders because of an incident which happened in that committee. I hope the Chair will not start intervening in the affairs of individual standing committees.

Sometimes the opposition forgets it is in a minority position in committees, as it is in the House. There is a steering committee to decide the agenda. When something is put to a vote, as it was yesterday in our committee, the majority has to rule. Sometimes people are not satisfied with what the majority has voted on.

I hope the Chair will respect the independence of each committee and that what goes on in one committee should not be brought to the Standing Committee on Foreign Affairs and International Trade.

The Speaker: I will permit an intervention from the hon. House leader of the Reform Party.

Before further intervention by members I would like them to stay within the confines of the point of privilege the hon. member for Elk Island has brought forth. Please do not go outside of these confines.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I hesitate now to comment in light of the comments you just made. Would you give me permission to very briefly answer the concerns made by the parliamentary secretary?

• (1220)

The Speaker: No. We are having a debate here. I do not want to get into debate. I want to stick precisely to the question of privilege. I am granting a great deal of leniency and latitude for all members.

Again, I ask members to speak to the question of privilege. I do not want the House to be seized of a debate.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, the issue raised by the hon. member this morning may be different from the incident raised yesterday.

No doubt it is a parallel one involving the same committee. The Speaker's previous ruling on the issue brought by another hon. member the day before would be applicable to the case before the House this morning.

Furthermore, yesterday the committee of procedure and House affairs, pursuant to part of the ruling by the Speaker, has been doing some preliminary work in the whole area of rules as they apply to the work of committees.

We adopted a motion proposed by one of the members who has at least attempted to rise on a question of privilege this morning from the Reform Party to address those very rules.

Earlier this morning there were informal negotiations to attempt to solve the dispute at hand. I do not want to describe them as it would be improper. I am hoping we will continue those discussions in the next few minutes to come to some kind of consensus by which we can afford the House to function properly in its committees.

I recognize, as the hon. member for Kingston and the Islands has said, the importance of the work of the opposition in the House. The Deputy Prime Minister and I have probably served longer in opposition than anyone else in the Chamber. We served too long in opposition.

In any case, we recognize that situation and we are attempting through some of these negotiations to resolve it. I hoped to continue with those private negotiations prior to this question of privilege.

The Speaker: I will go to a final intervention by the hon. member for Elk Island if he has new information to bring on my ruling.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I have two very important things.

First, the incident I reported which grieves me so seriously occurred after the member for Frazer Valley East came to you to give his intervention yesterday. It happened afterwards. That is very significant. It is also of a completely different nature.

Second, I was using the instruction as I understood it from Standing Order 48(1):

> Whenever any matter of privileges arises, it shall be taken into consideration immediately.

This says to me I have the right to not wait until that committee gave me the permission to come here. That is why I took the initiative to come.

SPEAKER'S RULING

The Speaker: Colleagues, the points are well taken on both sides. I do not come from another venue. I am one of you and I can understand many of the frustrations when a member is in opposition.

I can also understand, having served in government, that the government has a right to get on with its legislation. Therefore there are two things to be balanced here.

Your Speaker is always guided by the rules of the House of Commons. He is also guided by the precedents of other Speakers and in other Parliaments.

• (1225)

I heard today that in this circumstance one of the committees of the House is trying to—I hate to use the word rectify—at least ameliorate the situation so all sides can get on with what the hon. member for Fraser Valley East has said is their job, to represent the people of their constituencies.

On the specific point of privilege, the Speaker will respond to a report from the committee. That is the responsibility of the Speaker. However, your Speaker cannot be expected to be in all committees, to know precisely what is happening in all committees, except through their chairs which the House has approved.

We now have a circumstance of a committee's carrying out its responsibilities. That all members do not agree with what is happening in the committee is normal for this place.

However, I will wait until I have a report from the committee. When the report comes in, whatever is in there, if the hon. member at that time chooses to raise a point of privilege, I give notice now, as is the precedent of the House, that I will hear the point of privilege.

Concerning the rules stating a member must make intervention as soon as possible, the hon. member has done that. He is here now in front of me. Should it be brought up again at a future date, when the report of the committee comes out your Speaker will entertain such a point of privilege.

However, for the time being it is my decision that the committees are masters of their own work and that committee work must follow procedure and be brought to us here in the House. If there is a problem which can only be resolved by the House, then the House will become seized of it.

However, I rule at this time the hon. member, with all due respect, does not have a point of privilege.

Routine Proceedings

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments made by the government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to six petitions.

* * *

[*English*]

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, while I am on my feet I will table the annual report for 1993–94 of the Canadian Advisory Council on the Status of Women, in both official languages.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the sixth report of the Canadian NATO Parliamentary Association which represented Canada at the standing committee meeting of the North Atlantic Assembly, NATO parliamentarians, held in Marmaris, Turkey, April 8 to 10, 1995.

[*Translation*]

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canada–Europe Parliamentary Association regarding the 22nd annual meeting of the Canadian and European Parliaments held in Brussels, Belgium, from March 18 to March 25, 1995.

Routine Proceedings

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 78th report of the Standing Committee on Procedure and House Affairs concerning the associate membership of the Standing Committee on Finance. With the consent of the House, I intend to move for concurrence in this report later today.

• (1230)

FINANCE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 15th report of the Standing Committee on Finance concerning Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

[*English*]

I have the honour as well to present, in both official languages, the 16th report of the Standing Committee on Finance on the implications arising out of Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, the official opposition wants to express its dissent with regard to the 15th report of the Liberal majority on the Standing Committee on Finance. We are opposed, among other things, to the promotion of national standards in relation to the Canada social transfer.

The official opposition's dissenting opinion is annexed to Liberal majority report.

* * *

[*English*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.) moved for leave to introduce Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

(Motions deemed adopted, bill read the first time and printed.)

* * *

MANGANESE BASED FUEL ADDITIVES ACT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.) moved for leave to introduce Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances.

(Motions deemed adopted, bill read the first time and printed.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you would find unanimous consent to proceed with concurrence in the 78th report of the Standing Committee on Procedure and House Affairs, which I tabled earlier this day.

I move that the 78th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

The Acting Speaker (Mr. Kilger): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

An hon. member: Not at this time.

The Acting Speaker (Mr. Kilger): There is not unanimous consent.

FISHERIES AND OCEANS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I also seek the unanimous consent of the House for the following motion. I move:

That the Standing Committee on Fisheries and Oceans be authorized to travel to Gaspé, Îles–de–la–Madeleine, Summerside, Barrington, Sydney, St. George and Petty Harbour from June 5 to June 10, 1995, in order to study the restructuring of the fisheries industry, and that a staff of five do accompany the committee.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

An hon. member: Not at this time.

The Acting Speaker (Mr. Kilger): There is not unanimous consent.

[*Translation*]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That, pursuant to subsection 7(7) of the Referendum Act, chapter 30, Statutes of Canada, 1992, the Standing Committee on Procedure and House Affairs be the committee designated to review the proposed regulation made in accordance with subsections 7(3) and 7(4) of this Act.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: No.

* * *

• (1235)

[*English*]

PETITIONS

VIOLENT OFFENDERS

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I have the pleasure to present this petition. It is signed primarily by residents and citizens of the Paradise Valley area of Alberta.

They would draw to the attention of this House the fact that they are very concerned about our streets being made safer for citizens and are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

EUTHANASIA

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, I have a few petitions to introduce.

As I am duty bound, I have a petition signed by constituents mainly from Regina and from Fort Qu'Appelle and district that asks Parliament to ensure that the present provisions of the Criminal Code prohibiting assisted suicides are enforced vigorously and that Parliament make no changes to the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, as I am duty bound, I have a petition mainly from constituents of Regina criticizing Bill C–41.

These petitioners ask that Parliament not amend the human rights code, the Canadian Human Rights Act, or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships.

IMAGE CABLESYSTEM

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, I am also duty bound to introduce this petition from constituents of Fort Qu'Appelle.

The constituents and the petitioners are not happy with Image Cablesystem, which has changed their programming and rates. The petitioners ask Parliament to regulate Image Cablesystem and all cable companies in regard to program services and rates, regardless of subscriber numbers.

They also ask Parliament to address their immediate concern of requesting the CRTC take the steps necessary to restore their previous service, with new programming being offered in additional group packages at a competitive rate.

CRIMINAL CODE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I do not normally read the entire petition, but in this case I will.

I have over 7,706 signatures that I have received from a group in my community called Fair Justice, which came into effect after a very tragic killing in our community.

Their petition reads: In 1990 an average of two Canadian women per week were murdered by their husbands or male partners. Over the period 1974 to 1992 a married woman was nine times more likely to be killed by her spouse than by a stranger. Whereas the domestic killer is treated less harshly than any other by Canadian courts, the crime is usually defined as manslaughter. Killing family is much more likely to involve provocation or the heat of passion than killing acquaintances or killing for money or sex. While almost 60 per cent of those who kill during the commission of another crime are sentenced to life imprisonment, only 20 per cent of family killers receive this penalty.

Therefore, your petitioners pray and request that Parliament amend section 236 of the Criminal Code to include a minimum sentence of 10 years when a person pleads guilty or is found guilty of manslaughter of a spouse or partner.

I will therefore table these signatures that number 7,706, as I mentioned before.

GUN CONTROL

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I am pleased to present a petition signed by Cariboo–Chilcotin constituents from 100 Mile House, Forest Grove, Canim Lake, and Lone Butte, British Columbia.

Those who signed the petition are of the opinion that existing controls on law–abiding, responsible firearms owners are more than enough to ensure public safety. They therefore call upon Parliament to support laws that will severely punish all violent criminals who use weapons in the commission of a crime; support new Criminal Code firearms control provisions that recognize and protect the right of law–abiding citizens to own and use recreational firearms; and support legislation that will repeal or modify existing gun control laws, which have not improved public safety or have proven not to be cost effective or have proven to be overly complex so as to be ineffective or unenforceable.

• (1240)

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating across Canada. This particular petition comes from the Calgary, Alberta, area.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession, which has not been recognized for its value to our society. They also say that the

Income Tax Act discriminates against families who make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

BOVINE SOMATOTROPHIN

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have a petition from 258 residents of the province of Saskatchewan, who request and call upon Parliament to desist from legalizing the use of rBST in Canada. They further request that legislation be passed requiring it to be mandatory that all imported products from BST and rBST treated cows be so identified.

HUMAN RIGHTS

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I have the honour to rise today and table in the House a petition signed by numerous residents of Kingston and the Islands, who call upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 147, 148 and 168.

[*Text*]

Question No. 147—**Mr. Axworthy (Saskatoon—Clark's Crossing):**

For each of the calendar years 1990 to 1994, has the government developed detailed data measuring actual cigarette consumption, and if so what are these estimates for each province for which the data are available, and if not, why not?

Hon. Diane Marleau (Minister of Health, Lib.): No consumption data are available for 1990 to 1994. However, domestic cigarette sales have always been considered an accurate proxy of retail sales and therefore consumption in the long term. All analysis of consumption have used these data in this fashion.

For statistical data on domestic cigarette sales refer to answer to Question No. 148.

Question No. 148—**Mr. Axworthy (Saskatoon—Clark's Crossing):**

For each of the calendar years 1990 to 1994, has the government received data measuring domestic cigarette sales and if so what are the total sales in each province for which data are available?

Hon. Diane Marleau (Minister of Health, Lib.): The following are figures on domestic cigarette sales, excluding domestic sales of fine cut tobacco, for the years 1990 to 1993. All data for 1994 have not yet been released by the third party source and as such are not available for distribution.

Year	1990	1991	1992	1993
AB	4,910,777,000	4,595,017,000	4,507,052,000	4,415,407,000
BC	5,076,692,000	4,548,090,000	4,611,630,000	4,459,950,000
MN	1,874,370,000	1,605,070,000	1,615,916,000	1,577,968,000
NB	1,026,823,000	732,976,000	747,963,000	657,603,000
NF	741,865,000	630,642,000	588,767,000	476,582,000
NS	1,415,558,000	1,136,282,000	1,205,596,000	1,116,063,000
ON	17,677,352,000	15,561,286,000	14,289,718,000	11,896,233,000
PE	180,163,000	156,183,000	160,746,000	141,318,000
QC	11,820,314,000	9,011,729,000	6,377,051,000	4,586,758,000
SK	1,010,540,000	895,644,000	800,917,000	749,030,000
Totals	45,734,454,000	38,872,919,000	34,905,356,000	30,076,912,000

Question No. 168—**Mr. Robinson:**

On which occasions since September 1, 1994, has Gordon Campbell, the BC Leader of the Official Opposition, communicated by letter, fax or telephone with the Prime Minister or the Minister of Fisheries and Oceans, or any officials within their offices, concerning the Kemano II completion project and what were the nature of the representations made on each occasion?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed that in so far as the Prime Minister and his office are concerned, Mr. Campbell sent a letter and other documents via fax to the Prime Minister on October 11, 1994 in which he outlined the British Columbia Liberal Party's position toward the Kemano completion project.

In so far as the Minister of Fisheries and Oceans and his office are concerned, on October 11, 1994 Mr. Campbell wrote to the Minister of Fisheries and Oceans to express the British Columbia Liberal Party's position toward the Kemano completion project.

Also, there was one telephone communication on January 23, 1995, the day the province of British Columbia announced the cancellation of Alcan's Kemano completion project. Mr. Campbell was informed of the federal government's public response.

[*Translation*]

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

ROYAL CANADIAN MINT ACT

The House resumed consideration of the motion that Bill C–82, an act to amend the Royal Canadian Mint Act, be read the second time and referred to a committee.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it is a privilege to rise again in the House to debate an issue that is of importance to Canadians.

I would like to begin my intervention by simply stating that the intent of Bill C–82 is to establish a new $2 coin for Canada. The parliamentary secretary this morning, in introducing the bill in the House, gave a fair amount of rationale for it. I will not repeat those things, which we obviously agree on. They are already on the record. However, I do want to make a number of comments about what he said and refer directly to the provisions of the bill.

One thing I think we ought to understand is that even though in his presentation this morning he made rather voluminous reference to the changing of other coins—the penny, the nickel, the dime and the quarter, which are all being changed in content and hence in weight—that has nothing to do with Bill C–82. He was merely talking about another initiative, which is done by regulation and which apparently is going to proceed whether this bill is passed or not.

The fact of the matter is that if Bill C–82 does not pass and if Parliament fails to approve the authorization of the new two–dollar coin, then if the other regulations are implemented there will be wholesale changes required in order to manage the currency of our country by many, many merchants and vendors, irrespective of what this bill does.

I am not proposing that we ought to change the rules and that everything should be done in the House, because we would undoubtedly run out of time. I believe there is a proper role for setting of regulations that will determine certain aspects.

• (1245)

The introduction of the coin is not terribly controversial. We have had very little feedback. That is probably due to the fact that this initiative is not yet well known. I doubt whether it will generate a great deal of public outcry. It could even be that the bill will be passed before the public becomes aware of it. I do not think it has sufficient importance that it will grab the attention of the media. It looks as if it may be pushed through faster than what we can normally communicate via usual communication methods to our constituents.

In order to keep our options open we in the Reform Party will most likely oppose the bill. When I say that immediately the cry is: "They are in opposition; they are against everything". That is not true. In this instance we are doing it with a very open mind. In the event that the unanswered questions we have at this time receive satisfactory answers, we will have no hesitation to show support for the bill.

As I understand, the primary motivation for introducing the $2 coin is as a cost saving measure for the government. Much is made of this point. I cannot help at this stage to talk about the very important issue of cost cutting. The government would like Canadians to believe that it is cutting costs at every turn. If we look at the issue we are down to a very small amount of petty change. I say that in relation to the deficit and debt. If members opposite listen carefully they will hear in the next few minutes what I mean. I am not saying things to evoke a reaction. There is empirical, numerical evidence of what I am saying now.

We have a tremendous debt and a huge deficit. We commend the Liberals for bringing it down; it is better than increasing it. It is good that the deficit has been reduced. We ought not to delude Canadians into thinking that our debt problem is solved or that our debt is decreasing because it is not.

Not only does the budget of this year call for total government expenditures of $2 billion in excess of what was spent last year, but at the end of the fiscal year we will have another $32 billion of debt that we did not have when we entered this fiscal year. That is the straight fiscal reality. I am merely echoing what was reported by the Minister of Finance when he tabled his budget.

While I say that it is wonderful to be reducing spending and thereby hopefully reducing the rate at which we are going into debt, I also need to criticize it. Perhaps I can use a sports analogy. It is wonderful for the football team to gain a yard. That is better than losing a yard. On the next play it gains another yard. However, if only two yards in two plays have been gained in Canadian football the ball has to be kicked away. The opportunity has been lost.

At this time the matter is severe. Even though the government is saying this and I will echo it, there is a savings of $254 million over the next 20 years. I am not opposed to that savings, but it is as though we are gaining another yard and meanwhile the game is slipping away from us. We need to be cognizant of that fact. We need to address it very seriously.

I hesitate to say this. If Canadians hear me say that $254 million is petty change I will get hammered for it. I do not mean it. It is a lot of money, but relative to the total picture what we are doing in this measure is barely whittling away at the edge of the problem. The problem is so large that it is as if we are trying

to take the water out of the Pacific Ocean with a teaspoon. It will never happen.

• (1250)

Let me bring the numbers into perspective. I have shared before in the House that mathematics is my game. I have had some 31 years of experience teaching the subject. I have loved it and have used mathematics since I was a child.

In preparing my speech I immediately got out my calculator, did some number crunching and thought about what it meant. We need to be aware that the mention of savings, which is so highly touted by the other side, is extremely mediocre. Let me tell members how little the savings really are. I am sorry that we are spending time in the House today dealing with this one while the big ones are getting away from us.

A famous politician one time said: "I do not have time to be shooting rabbits when I should be after bear". That was a quotation of Tommy Douglas. That is what we are doing.

I ask the House to listen to the numbers. The $254 million savings is over 20 years. Usually when the government wants accolades for its savings it says a quarter of a billion dollars, which is a wonderfully big number. Then its voice drops when it whispers quietly "over 20 years" so that nobody notices that it is over 20 years.

What does this mean? It means $12.7 million in savings per year. We are going to deny it but we need to get it into the perspective of what it actually means in terms of the taxpayer.

I did a couple of side calculations. Here is one of them. Because of our massive debt, our interest payments of some $40 billion per year work out to about $110 million per day. Let us remember that I just said this was a cost saving of $12.7 million per year. Therefore we will save in this measure $12.7 million over the whole year. Meanwhile we are spending $110 million per day on interest. In the perspective of how viciously we are attacking the budget, this is not the measure.

Another way of putting it is that the savings "to be realized" by the implementation of the $2 coin will pay for our annual interest. This savings will account for the interest payment for two hours and 47 minutes of the year. That is the big saving.

Let us do it but let us recognize that if we are to do it and finally bring the debt under control, we will have to take some big steps. We will have to stop stepping gingerly. We will have to start looking at the big expenditures and at the big savings. Otherwise we will lose the game while busily wondering whether we made a yard or six inches.

I would like to bring it down to the individual because it is very appropriate. Not only does it put the savings into perspective. It also puts the economics into perspective. I made some assumptions because I do not have access to instantaneous figures. We are not yet on Internet in the House. It is impossible to get that technology going so it is difficult to get up to date measures.

I made a few assumptions on data that was several years old. It was the best I could get. Assuming 29 million Canadians, the savings this will produce will amount to the sum of 44 cents per year per Canadian. Over the whole year, after we have implemented the plan, every Canadian will say: "I have an extra 44 cents in my pocket this year".

Let us stop to think about it. The change in coinage will probably result in every coin operated machine in the country, telephones, food vending machines and lottery machines which I do not approve of in any case, having to be changed.

• (1255)

With the measure Canadians will save 44 cents per person per year. If the merchants increase the price on vending machines by 10 cents to recoup the cost of changing the machinery, any individual who uses a machine more than four times a year will end up spending more money. That puts the economic perspective of the measure into a different light. We need to think about these matters. Whether Canadians are paying money via their taxes or whether they are paying via the goods and services they purchase, it is still money out of their pockets.

I did another calculation. There are approximately 13.5 million Canadians who while filing income tax also pay tax. There are approximately six million taxpayers who file to receive the refundable tax credits. They are really out of the tax picture; they are only doing the paperwork. Those who are actually contributing to government income via the tax system number around 13.5 million to the best of my knowledge. If we forget about the people of Canada and only talk about the 13.5 million taxpaying Canadians, the savings are quite a bit more because there are now fewer people who are sharing the savings. The $254 million that will be saved by introducing the $2 coin gives every taxpayer a break of about 94 cents per year.

As a taxpayer I am sure that I use a coin operated machine more than 10 times per year. I am presuming. Maybe they will only increase the price by 5 cents. Maybe some of them will not increase the price at all, which I doubt, because it is our information that to change the coin recognition mechanism of machines will cost $500 per machine. That is the smallest number I have read about. I believe every coin operated machine in the country will increase their prices. I can anticipate a Pepsi or a chocolate bar which now costs 90 cents undoubtedly going

up to $1, so it will require a loonie. Maybe the new machine will accept a $2 coin and give a loonie back, so people will have almost exactly the same money in their pocket in terms of weight as before.

It has been mentioned that one of the reasons for doing this is that $2 bills do not last. That is also true. I know I cannot use props; I really know the rules around here. I cannot haul out a $2 bill, but I looked at one before I came here that was worn. The $2 bills get a lot of mileage. It reminds me a bit about the way the Canadian government handles grain. The government likes to put it on trains and give it a joy ride before it arrives at its destination. We do that with our currency as well.

The $2 bill undoubtedly does a lot of travelling. Statistics tell us that on average the $2 bill we have been using extensively since the $1 bill was discontinued lasts only a year and then it must be reprinted at a cost of 6 cents. It costs 6 cents every year for every $2 bill in circulation.

The coin, because it will last for 20 years, will not have that cost. It will cost approximately 16 cents to produce, but as we all know coins last for a very long time. To show that I am a true Reformer, when I was walking down the sidewalk the other day I saw a penny and I stopped to pick it up, as Reformers would be wont to do. I was amazed to see that the penny was almost as old as I am. Somebody had just dropped it. It was not quite as old as I am. The date on it as I recall was 1945 and I am six years older than that. But I thought it was really significant that that coin could last as long as I have. I assure you that no bill in circulation would last that long.

• (1300)

I have stated the cost per taxpayer and the saving per Canadian of 44 cents per year as a counterbalance to the statement of the parliamentary secretary. I think I wrote down the quotation correctly. He said: "This will be a big load off the debt". With all due respect, I think not.

I will indicate some other reasons for the temporary statement that we are going to be resisting the bill. I have already indicated that to the individual Canadian it may not be nearly as big a saving as is being touted. I want to find out before I vote in favour of the bill whether it actually is economically feasible. I am not certain. I have not had sufficient data on it to convince me.

Also I somehow feel that we ought to be presenting Canadians with more than just this option. We now have a $1 coin and we are jumping now to a $2 coin and then a $5 coin. The $2 coin is the one in question.

To my knowledge no studies have been done on the viability and feasibility of dropping the $2 bill and going from the $1 to the $5. I cannot use props here, but I could hold up four coins and show that those four loonies would represent two $2 bills. After we pass the $4 dollar mark we could then use a $5 bill. You do not ever need more than two $2 bills. That means we would never need more than two $2 coins. Which means that if we did not have a $2 coin we would have to have up to four loonies.

I looked at the spec sheet. The loonie weighs 7 grams. The new proposed $2 coin is going to weigh 7.3 grams, just slightly heavier. Canadians are going to say: "If I have to have yet another coin, then there is going to more weight in my pocket". Well, this is what it is: four loonies weigh 28 grams. My generation likes to hear it in the old British system, which is about an ounce. If you had two $2 coins they would weigh 14.6 grams, which for all intents and purposes is about half an ounce.

We are asking Canadians to approve the introduction of a new $2 coin with huge costs to all the vending industries and all the coin operated machines in order to save, at maximum, the necessity of carrying an extra one–half ounce in their pockets. I suppose that could be justified. I am interested in studying it further. I am certainly interested in hearing from Canadians to find out whether they are really going to say: "Yes, let us go for the $2 coin because I walk lopsided if I have an extra half ounce on that side". I am being facetious. My apologizes. That was supposed to be a joke to wake up members opposite.

Too many questions of this type remain unanswered. In fact, there are some problems with the bill itself. Consequently, our initial response is that we respectfully submit that we are going to oppose the bill, with the option that if proper answers are given to our questions, then we will show that we are willing to support the bill.

One thing the government has done based on the data we received from it, was a poll which found that Canadians support the $2 coin. We actually question the accuracy of the poll. The difficulty with the poll is that the only option given was whether they liked the $2 coin or not. They were not given the option of not having the $2 denomination at all. Therefore, Canadians were not given a number of choices, but a very narrow choice.

• (1305)

I was also told, and I hope this is correct, that the first poll taken was not supportive. The question was changed in order to get a positive poll so that the proposal for the $2 coin could be advertised as having the support of Canadians. When I found out that this was done, I wondered about the motivation behind it.

Another question we definitely want answered is: Who will actually benefit from the introduction of the coin? I am making no allegations, but it is a question which we will always and carefully ask on this side of the House. I am not going to say which Liberal supporter, but we will ask who is going to benefit from this. Who has the contract? Which are the businesses that change the machines? If there are any problems with that, we are

going to try to find that out and make sure that the motivations are all above board.

I will also talk a little bit about the retailers. I am sure a lot of Canadians are not aware that when a purchase is made with currency there is almost always change. Very seldom does the customer present the exact change. In any case, every merchant has the option of having the facility to accept a credit card. We understand that a great deal of merchandising is done via credit cards. The mechanism for processing credit card and debit card purchases has been refined to a great extent. That system is fairly efficient, but we still have a coinage system. We still have the rules of currency and legal tender. Therefore, the merchants are required to have change.

If you were ever to look into the till, you would see that there are different compartments for pennies, nickels, dimes, quarters and loonies. We have very few 50–cent pieces in circulation; I think most of them are hoarded by collectors. With the introduction of a new coin, every tray in every till in the whole country is going to be put on the garbage heap and replaced with a new tray with an extra compartment because of the new coin.

Another aspect to that which was indicated by the parliamentary secretary is when the $2 coin was introduced, the government said it was going to do the vendors a favour by changing the metal content and hence the weights of the other coins at the same time. The vendors could then build new coin recognition systems and do that change only once.

That is commendable, but the government is not going to instantly take all of the old coins out of circulation. Therefore, the job for the coin vendors is to have a coin recognition system that no longer recognizes nickels, dimes, quarters and loonies, which is a total of four coins, but they are going to need a total of eight coins recognized. There will be two different kinds of nickels, dimes, quarters, loonies and the $2 coin, doubloonies, I guess we will call it.

When that happens the mechanism is going to have to be much more sophisticated and undoubtedly more expensive. I read an estimate that the vending machine industry is probably going to have to lay out approximately $25 million to change the machines. Remember I did the division by 20 on the projected savings. I said that if the saving is $254 million in 20 years, it is $12.7 million in one year. By the lowest estimates, we will be spending twice the annual savings of the government in order to change the machines when we start out.

• (1310)

Hopefully if there is some stability to our currency system, that change should not have to be made again soon. It is interesting to note it was approximately eight years ago when all the machines in the country had to be changed. I do submit one of the things we would call for is a longer period to guarantee Canadian businessmen the coinage will not change. Eight years is really much too short a period.

I would also like answers to questions like these: What are the actual total costs to industry? What are the total costs to Canadians?

It would also be appropriate to talk about seigniorage, which is the difference between the value of the coin and what it costs to produce it. We are told that based on this component, we expect to have an input into the Canadian government coffers of $449 million in two and one–half years. I will admit I am a mathematician but I am not an economist, so I do not fully understand how that accrues to actual value to the Canadian government.

I stand to be corrected but it seems to me that if we can actually bring in $500 million in two and one–half years to the Canadian government wealth and if it is real wealth, not inflationary wealth, because of the introduction of the new currency—and I understand that part—we will presumably be taking the $2 bills out of circulation when we bring in the $2 coin. If there is an actual accrual to the government of $449 million of added value, then I ask a very elementary question: Why do we not just greatly increase the number of $1 and $2 coins? Let us produce them in sufficient numbers to pay off the debt. If it really works then we should do that.

Now I think I know enough about economics to know that would not work. Unfortunately that is not the kind of economic policy that would keep us as a country in good light with all of the other trading partners. Our currency would undoubtedly be devalued by that.

Another aspect of this is profit to the mint. I like the fact that our mint is a money maker. I am sure many people are aware that the Canadian mint not only produces Canadian currency, but also provides a sizeable import of dollars by producing and shipping coins to other countries.

I understand it is definitely economical for the mint to tool up to produce a new $2 coin. Like a car manufacturer tooling up to make a new model of car, it is always economical because that will be recouped in sales. It is undoubtedly correct for the mint to do this.

I would like to know the details of the mint's cash flow. How is this actually going to work out? We also need to recognize there are ramifications to moving from the printing of paper currency to the production of the coins. Initially there will be a large flurry of activity in producing the new coins, but what happens to productivity once we have saturated the Canadian currency with the required number of $2 coins? Those are simple questions.

With respect to the bill itself there needs to be a long term plan which is not present in this very short bill. All it says is that we are going to make a new $2 coin. That is basically all it says in

layman's language. What we really should have is some sort of coherent, long term currency plan Canadians can count on.

• (1315)

There is a really serious question we ought to be asking, whether we should keep the penny. The penny costs about 70 per cent more to produce than what it is worth. It costs about 1.7 cents to manufacture a penny. It does not make a great deal of sense to keep manufacturing pennies. Think of the savings we could incur if we stop doing that. We could presumably go for many years utilizing the pennies out there now because their rate of replacement is not great. They are very sturdy coins.

Has there been any study on replacing the $5 bill with a $5 coin? If it is so good for the two, could it also be done for the five? Should it be done at the same time? Obviously if we are to make a change, to do it at the same time makes a great deal more sense than making this change now and then five or eight years down the road saying introduce a new $5 coin requiring all the vendors and all of the businesses once again to adjust.

These are some of the questions I want to have answered before I can support this bill. It could be that we are missing an opportunity of being very efficient if that is the long term direction we are to go. We need to have studies. We need to have answers to those questions.

I appreciate the opportunity to be able to address this question. Obviously in my limited knowledge I will not have explored all aspects of it. Undoubtedly there are other things we must also take into account. We will certainly be watching and participating eagerly in the House and in committee, provided we are allowed to vote in our committee and other things.

We will pay close attention in committee and we will be eagerly asking for the answers to these questions. I want to reiterate the bottom line for us is not a saving to government but a saving to the taxpayer. If the taxpayer in total is to land up with a higher expense then we will be opposed to this bill.

I seriously doubt, based on the numbers I gave at the beginning of my intervention, the added costs of making the changes to the commodities sold through vending machines primarily will eat up the pockets of the taxpayers more than what will be saved for those taxpayers through this avenue of government.

I also want to make sure that before we give consent to this bill all of the costs have been anticipated. Too often in government we start on a project and hear the estimates. How often have we heard of overruns? Over and over; it happens with great frequency. We want to make sure there are very precise accounting and estimates of the total anticipated costs to the taxpayers. I want to make sure we have an open and honest discussion.

In my first year and a half in the House there have been times when I have really enjoyed the work. I have felt what I have been contributing has been very helpful to the Canadians I was sent here to represent, broader than the Elk Island constituency, all Canadians from sea to sea.

I hope in this bill, which is such an innocuous bill, we will be able to embark on a debate, a study in committee free from the acrimony and the bull headedness that has been displayed in some of the committees, particularly in the past several days.

It is so important that we as parliamentarians—in the committee we are backbenchers—have, as the Liberal Party promised in its red book, a more meaningful role. That role will have to be found in committee because of the sheer numbers.

• (1320)

Not many members have the privilege I have today to make a 40 minute speech. Members on the Liberal side almost never get that opportunity. When a bill is introduced either the minister or the parliamentary secretary takes that opportunity. All of the other backbenchers really do not have a role.

In committee we can have a real role provided it is permitted, encouraged and acknowledged and that there is a genuine and honest recognition that the recommendations of the committee are to be taken seriously. I look forward to working on this bill in the committee. Provided our answers can be forthcoming very quickly I am sure we can come up with a solution to this problem.

It is not a big problem for Canadians. It is a problem of some significance. We can come up with a solution that will be best for all Canadians. I am thinking of those ordinary Canadians who work from day to day struggling to pay their bills, struggling to pay their taxes. Those are the people we want to represent. We want to make sure they get very best possible shake out of this legislation and other legislation like it.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my colleague from Elk Island finished stating not very many backbenchers have the opportunity to speak for 40 minutes on any bill. That is a very pithy comment.

Many people would have a great deal of difficulty trying to figure how one could speak for 40 minutes on Bill C–82, which is a major struggle. How on earth does one go about speaking for 40 minutes on a debate on the introduction of a $2 coin?

A few minutes ago I was told we need to keep this debate going for another 10 minutes and do I have something to say about this. I thought sure. The automatic response was who needs a $2 coin? I have travelled extensively in the United States and I have never seen a $2 bill. Why replace the $2 bill? If we do

not want to have it, we should get rid of it. If we do not need it, we do not need it.

That is a question that will be answered in committee where wiser minds than mine will be debating this important consideration of the day. With a $2 coin if we start trying to figure out how much our country will be in debt on a daily basis, it would only be $60 million $2 coins rather than 120 million loonies. We could divide it that way and perhaps it does not seem that much.

There are some really important considerations in this bill. For those watching this debate, the country is into debt at $120 million a day. We have Bill C–68, the firearms bill. We have looming on the horizon the most important question facing our country outside of the debt, our relationship with Quebec and how we will deal with and get past this hurdle. We will get past it and it is my desire we will do it together. Here we are using up the potential of five hours of debating time to talk about the introduction of a $2 coin. We already have a $1 coin.

Some hon. members opposite said we are wasting our time. How can we argue with that? Some things do not require the same amount of consideration except if one happens to be in the vending machine business. Everything we do in the House affects someone somewhere. While it may not affect all of us to the same degree all the time, it affects someone substantially some of the time.

• (1325)

If I were in the vending machine business now and a member of Parliament asked what I thought of the debate on the $2 coin, I would say it could very well be the difference between my staying in business or going out of business. Think of the huge cost to the vending machine business with the introduction of the loonie a few years ago. It important we in the House have some consideration of the effects of what we do on others outside the House.

We all recall what happened with the introduction of the loonie. What happened to the cost of newspapers from vending machines? By and large there was an increase from $75 cents to a loonie. The vending industry raised prices from 25 cents to 50 cents to 75 cents to a loonie. It was not taking advantage of a situation. If it has to make mechanical changes it might as well make them to last.

What will happen if we introduce a doubloonie, a $2 coin? A vast number of ideas have come forward about what to call the new coin. Ideas came from the west saying we should put a picture of a deer on either side and call it the two buck coin. Another member said we could put a picture of the leader of the Reform Party on one side, the Leader of the Opposition on the other and say flip a coin.

There is a substantial cost, particularly to the vending machine business. As we make decisions and changes for the nation, things that seem pretty simple and straightforward very often have a result that extends far beyond what we are doing here.

I have two $2 bills in my pocket and a loonie. One thing brought to my attention the other day was if we get rid of the $2 bill, what will happen to the amount of change we carry in our pockets. I have a loonie and some quarters. I am trying to stretch this out. I suppose we are looking at effects this will have down the road, beyond the vending machine industry and beyond inflation. I suppose to some people the amount of coins they would have to carry in their pocket would be something of a consideration. Without a $2 bill and because we do not have a $1 bill, we would have to carry around a whole lot more loonies or doubloonies.

Mr. Abbott: It would make the tailors happy.

Mr. McClelland: While it might upset the vending industry, it would certainly make the tailoring industry happy since people would be walking around with holes in their pockets or their purses. However, it would be something of a problem.

As the debate winds to a conclusion I hope some of these points will be considered. In my opinion we do not need another coin. If we are to get rid of the $2 bill, let us get rid of it and make do with our happy little loonies.

The Acting Speaker (Mr. Kilger): It being 1.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

Mr. Raymond Lavigne (Verdun—Saint–Paul, Lib.) moved that Bill C–313, an act to provide for the resumption and continuance of the operations at ADM Agri–Industries Ltd., be read the second time and referred to a committee.

He said: Mr. Speaker, it is a pleasure to introduce Bill C–313 in the House today. However, I regret the fact that this legislation is necessary to put an end to the dispute at ADM Agri–Industries Ltd. The events leading up to Bill C–313 are as follows: a labour dispute between ADM Agri–Industries Ltd. and the National Syndicate of Employees of Ogilvie Flour Mills Company Ltd. has affected about 150 employees involved in production.

The parties started negotiations on the renewal of the collective agreement that expired on January 31, 1992. A conciliator and then a mediator were appointed to help the parties settle their differences. Unfortunately, very little progress was made.

The union called a legal general strike on June 6, 1994. This strike, which has been going on for 11 months, has not prevented the employer from continuing operations, since the employer hired replacement workers, which has undermined the bargaining position of ADM's regular employees.

Bill C–313 proposes final offer selection as a way to settle the dispute. Within 30 days after being appointed, or within such greater period as will be specified by the Minister, the arbitrator shall, first of all, determine the matters on which the employer and the union were in agreement at cut–off time; second, determine the matters remaining in dispute at cut–off time; third, select, in order to resolve the matters remaining in dispute, either the final offer submitted by the employer or the final offer submitted by the union; fourth, determine a back to work protocol.

Meanwhile, employees would go back to work in accordance with the provisions of the protocol. The bill would contain provisions obliging the parties to abide by the back to work protocol and resume operations. The bill's enforcement provisions include fines in the case of an individual who contravenes a provision of this legislation. Bill C–313 is not anti–scab legislation.

The purpose of this bill is to deal with a specific situation that currently exists at ADM. Many of my constituents have worked for ADM for more than 20 years. Today, they are out of work and have little hope of getting back their jobs. They want to go back to work, and they want to negotiate. Yes, Mr. Speaker, I said the employees' union wants to negotiate.

On April 26, following promises from the company that it would go back to the bargaining table and because there was some hope of obtaining a negotiated agreement, the National Syndicate of Employees of Ogilvie Flour Mills Company Ltd. sent me a fax in which they asked me to withdraw this bill.

• (1335)

On May 1, the union met with the company, and by May 2, before the bill could even be withdrawn, yet again, the union sent me another fax saying: "Since our letter of April 26, we have been to two mediation sessions with Warren Edmunston and Rock St–Hilaire. The attitude of ADM Ltd. at those sessions, despite the fact that the strike has dragged on for 11 months now, has made us reconsider our position regarding the bill that you tabled. Effectively, on the critical issues, ADM's vice–president has said that there was no reason for compromise".

"Do you know what that means? That means that there is no reason for them to compromise. Needless to say, the hope of reaching a negotiated settlement has never been so dim".

"That is why we are now asking you to bring Bill C–313 before the tripartite committee of the House of Commons. Of course, when the time comes, we would like to be heard with regard to this bill, because we could suggest a few amendments".

"Nevertheless, in principle, the bill is an acceptable mid term solution and will at least guarantee that the workers at the Ogilvie flour mill will have a decent future and that they can return to work their pride intact".

"It is certain that a negotiated settlement would be the preferred solution. However, this cannot end up being a settling of accounts in which one party squarely comes out the winner. That is why we believe that this bill could very well be the preferred solution to the stalemate in which we dread we will find ourselves".

"I hope to hear from you soon and would like to thank you for the interest you have shown in the workers I represent".

The letter was signed Claude Tremblay, president of the National Syndicate of Employees of Ogilvie Flour Mills Co. Ltd.

I am convinced that it was very difficult for them to reverse their decision about having the bill withdrawn. As some of you already know, ADM Ltd.'s factory at Candiac and the union came to an agreement very quickly. There is, however, a major difference between the Candiac factory and the one in Montreal, located in my riding. The difference is as follows: the Candiac plant processes flour and is under the control of the provincial government. It is covered by anti–strikebreaking legislation, and the union could have halted ADM's activities there.

In Montreal, however, the ADM mills come under federal legislation, which permits the hiring of replacement workers. As we say, "the company has the big end of the stick". It can say to the union, through its vice–president: "We have no reasons for compromise".

This is no way to treat people. Faithful employees, who have given twenty years of service or more to this company are now, after an eleven month strike, in debt, without hope and unable to feed their family.

Workers have pride too and are happy to earn their living. As the Prime Minister put it in one his speeches, a father is proud to earn a living in order to be able to put food on the table for his children. When they came to see me at my office, they were not looking for handouts. They simply wanted to be able to bargain in good faith and to return to their jobs, which have been given to replacement workers.

As we know, whenever a company has the upper hand, it is forever critical of the people who have given their life for it. People may have worked 30 years of their life for a company and have it say today: "No, not a chance. You will be out in the street with no chance of renegotiating your seniority". The employees of ADM are not asking for a salary increase; they earn between $17 and $19 an hour. They are proud of what they earn. All they want is recognition of their seniority. The owner, Dwayne

Andrew, a multimillionaire, does not want to negotiate with ADM.

• (1340)

I therefore request the unanimous consent of this House to move:

That Bill C–313 be declared a votable item, pursuant to Standing Order 93.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion of our colleague for Verdun—Saint–Paul?

Some hon. members: Yes.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): Resuming debate. The hon. member for Mégantic—Compton—Stanstead has the floor.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, I am pleased to participate in the debate on Bill C–313, which was tabled in this House by the hon. member for Verdun—Saint–Paul, who is a government member.

One can see that, while Ogilvie's may be experiencing problems, this is also the case on the other side of this House. Indeed, there seems to be a disagreement regarding the taking of a vote on this bill. Some day, we may find out exactly why. In the meantime, I want to make some comments on the legislation as such. I will take a few moments to relate the chronology of this dispute at Ogilvie Mills Ltd., which is located in Montreal, in the riding of Verdun—Saint–Paul.

The collective agreement in effect at Ogilvie's expired in January 1992, and the company was sold in June of that year by its owners, Labatt, to an American multinational, Archers Daniel Midland.

After the change of ownership, bargaining became very difficult. The new employer behaved somewhat as if it were in a banana republic, brazenly trying to impose its rules and not caring one bit about our traditional ways of bargaining. It showed contempt towards the men and women who work for Ogilvie's. Consequently, on June 6, 1994, the workers voted 97 per cent in favour of a strike.

Why did they make that decision? Contrary to what several may think, particularly on the management side, people who hold a regular, well paid job allowing them a decent quality of life never decide gladly to do without their income and to go on strike. Such a decision is never made for the fun of it but, rather, for serious reasons.

This was the case at Ogilvie's, since the demands made by the new management were utterly excessive in the eyes of any objective observer.

• (1345)

Since then, for close to a year now, the employees have been out on the street, without any hope for a settlement, since the company, taking advantage of the fact that it is federally incorporated and that there is no federal anti–scab legislation, has hired substitute workers and is operating as if nothing had happened, while the real employees, those who worked for the flour mill for over 20 years, are still out on the street and might stay there for quite a while yet.

My colleague for Verdun—Saint–Paul insisted earlier on the fact that this private member's bill is not an anti–scab bill. He is right this bill has nothing in common with an anti–scab bill, but this shows the lack of responsibility on the part of the government which, despite the official opposition's repeated requests over the years and especially recently, has refused to pass anti–scab legislation in this House, which, I am convinced, would have led to a quicker settlement.

Across Canada, 75 per cent of employees working for provincially incorporated companies are protected by anti–scab legislation. This means that, in all the companies governed by provincial laws, in Quebec, Ontario or British Columbia, employees can go through the collective bargaining process, then go out on strike in a civilized and orderly manner, thus establishing a real balance of power. The federal government still refuses to pass such legislation which, as I said, would certainly have solved the problem in this particular case.

I only have a few minutes left, but I want to stress that point, because it is not the first time that we are confronted with this kind of situation, which is likely to occur again many times in the future. The government must realize anti–scab legislation is a necessity. Members opposite seem to want to make absolutely sure that this legislation is not passed in this House, so as not to apply to federally registered companies.

The official opposition supports Bill C–313, which deals with what is called the final offer selection. This is better than nothing. It is reluctantly that the official opposition supports such a measure since, in the context of labour negotiations, the final offer is truly a last resort. Such a solution is often used when every other avenue has been explored, and when workers are at the end of their rope. I know that Ogilvie workers and their representatives hope, after a work stoppage of almost a year, to see such provisions come into effect.

• (1350)

Again, as far as the official opposition is concerned, we unanimously support this approach. We would have liked a vote on this bill, which would have given every member of this House an opportunity to express his or her views by voting for or against it. We already know, however, that there are deep divisions on this issue within the government majority, within the Liberal Party. That is regrettable since, as I said earlier, we

are discussing the fate of men and women who have been on the street without any income for nearly a year. They have children to support, mortgages and rents to pay. An agreement must be negotiated as soon as possible.

I hope that, once this bill is passed, once these employees have gone back to work, they can resume their activities in acceptable conditions, in a climate that is not too hostile.

In conclusion, I hope that the government will think about, really think about, introducing in this House an anti–scab bill that would benefit all workers subject to the Canada Labour Code.

[*English*]

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I am pleased to participate in the debate on the bill sponsored by the hon. member for Verdun—Saint–Paul.

The bill proposes that the government implement final offer selection as a mechanism for resolving the year long labour dispute at ADM Agri–Industries, otherwise known as Ogilvie Flour Mills.

I was a bit surprised that a member from the government side would sponsor the bill. When the hon. member for Lethbridge was seeking support for his final offer arbitration in Bill C–262, which called for basically the same as the bill today only it applied to grain handling disputes, government members did not want any part of it.

If the hon. member from Verdun and perhaps the rest of his caucus truly believed in the concept they would have spoken in support of Bill C–262 at the time it was debated in the House.

How can he promote final offer selection or arbitration in one case and oppose it in others? Since flour mill workers are grouped into the same category as grain elevator operators they fall under federal jurisdiction. If the hon. member and his colleagues were really concerned about the workers at Ogilvie Mills, they would have got the ball rolling on March 20 by supporting the bill of the member for Lethbridge on final offer arbitration in grain handling disputes.

We know the government runs hot and cold. The fact the member could not get unanimous consent for his bill is a perfect example as far as final offer arbitration is concerned. They did not like Bill C–262 and they came out in force to ensure that it did not survive.

The Minister of Human Resources Development in a news release announcing that royal assent had been given to the West Coast Ports Operations Act was quoted as saying:

> The imposition of the final offer selection procedure in this particular legislation should encourage the two sides to demonstrate a strong sense of rationality in deciding on the positions they place before the arbitrator.

That is what we said in Bill C–262, that it was a tool that could be used by either side in a dispute.

The transport committee in its recently released national marine strategy recommended a final offer selection mechanism for settlement of all disputes between pilots and their customers. It seems to work in some areas. As the mover of the bill mentioned, it is not something union people are objecting to. There seems to be growing popularity for the concept of final offer arbitration.

The committee also recommended that the new Marine Transportation Act should provide for final offer selection for the settlement of all disputes between the new not for profit Seaway Corporation and its employees. The chairman of the committee spoke on final offer arbitration during the debate on Bill C–262. He spoke at length about the need to maintain essential services. He also said:

> Employees either have the right to strike or not.

• (1355)

He went on to say:

> We have to roll with the change. I do not feel the way to begin a positive and co–operative renewal of labour relations is by introducing legislation which begins to erode what labour considers a basic right.

We are getting mixed signals from the government.

Last week in the human resources development committee I had an opportunity to ask the Minister of Labour if she would consider implementing final offer arbitration as a solution to ending disputes involving essential services. She conceded that it might be an interesting concept but that it would be difficult to use as a method of settling disputes, especially complicated disputes like this one. I got the distinct feeling that she would not support that sort of move. I am not surprised my hon. friend could not get unanimous consent to make his motion votable.

Obviously he has one other colleague in his caucus that feels the same as he does. The member for Vaudreuil introduced exactly the same bill but it has apparently been withdrawn. I am sure they both thought there would be no repercussions since the government employed final offer selection as a way out of its problems with the west coast ports.

My friend from Verdun—Saint–Paul is probably thankful in some ways that it is not votable because if it were he would have to vote in favour of it and we have seen the government sometimes punish people who vote for their constituents.

The Reform Party believes in the bargaining process. We do not want to interfere in the process of two parties coming to an

agreement. We see final offer arbitration as tool that is useful to both labour and management. Certainly my friend across the way has alluded to having support of the union in this case.

We on this side are concerned about the impacts that strikes and lockouts have on workers, employers and Canadians who most often have to bear the brunt of the costs and inconveniences when the services of monopolistic industries are withdrawn. When all efforts to solve the disputes through the regular collective bargaining process have been exhausted, final offer arbitration should be available to all parties.

The recent strikes in the railway helped to underline the weakness inherent in the Canada Labour Code from preventing a shutdown to essential services. The federal government has a responsibility in this area to act in the best interest of Canadians. Transportation and communication services are essential to the daily movement of people, goods and services.

Canada's competitive advantage is determined by the efficiency and reliability of the transportation and communication network that it relies on. We cannot afford any major shutdowns in the network that links the country together. A case in point was the recent railway strike that is estimated to have cost the Canadian economy in the neighbourhood of $3 billion.

Final offer arbitration is the most effective and impartial means of obtaining a solution to the concerns of labour and management where an impasse occurs that inflicts significant damage on Canadians. It requires both parties to negotiate in good faith and quickly, while keeping in mind their overall interest as an organization.

There is nothing to prevent both sides from achieving their deal providing they are being fair, open and expedient with each other. Tremendous pressure is put on both sides to reach an agreement if the arbitrator is in a position to adopt all of one or all of the other side's proposals.

The threat of arbitration should be enough for both sides to reach agreement if the arbitrator is in a position to adopt either side's proposals. The threat of arbitration should be enough for both sides if they want to reach an agreement.

• (1400)

In cases where fundamental issues are at stake, such as employment security, an agreement may never occur through the collective bargaining process. A strike or lockout only makes matters worse and nobody wins in those situations. The best solution is for someone respected by both sides to make a decision on the fairness of one proposal and for the process to be viewed as legitimate by both sides.

Section 57 of the Canada Labour Code contains a provision for final settlement by an arbitrator for disputes that occur during the life of a collective agreement. The parliamentary secretary from York North referred to this provision on March 2 when he said: "Our system of compulsory collective agreement settlement through arbitration or some other peaceful means contributes to a high degree of stability in our industrial relations system". The message government is sending on this issue is one of confusion. Government is for it in some instances and not for it in other instances.

I am certainly not trying to circumvent the collective agreement process. I do want to ensure that in areas of essential services Canadian people are protected from costly disruptive work stoppages that could affect their safety and their livelihood. We need an amendment to the Canada Labour Code which would expand the provisions contained in section 27 to include final offer arbitration in work stoppages in essential services as soon as the existing agreements expire.

The Ogilvie workers and their employers have been involved in a bitter labour dispute as has been mentioned, for almost a year. Those people would certainly like to get back to work. It is unfortunate that this bill is not a votable one. If it were, I would be suggesting to our caucus that we should support it.

I encourage the government to come forth with legislation considerably similar to this that would work as a long term solution and not a piecemeal approach to the problems.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, on a point of order, I hesitate to interrupt private members' hour with House business but I think you will find that there is now unanimous consent for one of the motions I moved earlier. I move:

> That, the Standing Committee on Fisheries and Oceans be authorized to travel to Gaspé, Îles–de–la–Madeleine, Summerside, Barrington, Sydney, St–George and Petty Harbour from June 5 to June 10, 1995 in order to study the restructuring of the fisheries industry, and that a staff of five do accompany the committee.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

PRIVATE MEMBERS' BUSINESS

[*English*]

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

The House resumed consideration of the motion that Bill C–313, an act to provide for the resumption and continuance of the operations at ADM Agri–Industries Ltd., be read the second time and referred to a committee.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to speak on Bill C–313 which is an act to provide for the resumption and continuance of operations at ADM Agri–Industries Ltd.

In short, the bill uses final offer selection as a dispute settlement mechanism. It would empower the minister to appoint an arbitrator to select the final offer submitted either by the employer or the union. In effect, the bill calls upon the federal government to impose a settlement process on the two parties.

On the face of it, the proposal sounds reasonable. However, I am a firm believer in the free collective bargaining process and the long term interest of collective bargaining would not be served otherwise. Having said that, I want to express to the member for Verdun—Saint–Paul that I share his concerns about the dispute.

On June 6, less than a month from now, the strike will be a year old. Surely in today's highly competitive economic environment it is reasonable to expect the parties to a labour management dispute to reconcile their differences in far less time.

It is noteworthy that one of the parties, the employer, is owned by Archer Daniels Midland, a very large U.S. based transnational corporation. To be frank, I wonder how aware the employer is that the industrial relations culture in this country is different from the industrial relations culture that exists south of the border.

• (1405)

Without overstating the differences between the two countries, I think it is fair to say that generally, employers and managers in this country possess a greater willingness and ability to work with labour unions. They tend to avoid the kind of power bargaining that seems to predominate in the U.S.

Dr. Pradeep Kumar, associate director of the Industrial Relations Centre at Queens University, pointed out in his study of industrial relations in Canada and the United States that: "While U.S. employers have become increasingly hostile to unions, practising a wide range of union substitution and union avoidance activities in pursuit of lower cost and greater flexibility in compensation and work arrangements, Canadian managers appear to have shown greater willingness to work together with unions to facilitate adjustment and adaptation to changing markets and technology. The growing U.S. trend toward a union free environment is less evident in Canada".

Dr. Kumar goes on to say: "Unlike U.S. employers who have vigorously demanded concessions and forced unions into submission using their enhanced bargaining strength, Canadian managers, while jealously guarding their right to manage the workplace free of influence of organized labour whenever feasible, have been more accommodating and receptive to union goals and objectives and have attempted to find consensus on areas of mutual concern".

Also, I think Canadian unions rely more and place a higher value on the collective bargaining process. They certainly enjoy greater public support as evidenced by the fact that the percentage of unionized workers in the U.S. is about half of what it is in Canada.

Professor Kumar and others have also noted that Canadian labour legislation differs markedly from U.S. legislation in many respects.

For example, Canadian collective bargaining legislation provides a relatively simple procedure by which trade unions can acquire collective bargaining rights. In most Canadian jurisdictions a union can be certified without a vote upon evidence that 51 to 60 per cent of employees in the bargaining unit wish to be represented by the union. In the U.S. all applications for certification are contested, requiring a vote to establish that a union represent a majority of employees.

No Canadian jurisdiction has right to work laws, but 21 states in the United States of America have such legislation. Canadian labour legislation permits all forms of union security, closed shop as well as union shop. Dues check off is a common provision.

Most Canadian jurisdictions have successor right provisions, providing that where a business is sold the successor employer acquires all the rights, privileges and obligations of the predecessor. The successor is bound by any collective agreement in force. In the U.S. the effective change in ownership on the union and the collective agreement is uncertain, depending on various factors.

A number of Canadian jurisdictions provide for advance notice and consultation on technological change. This provision is not found in the U.S. legislation.

First contract arbitration is available in the federal jurisdiction, British Columbia, Manitoba, Ontario and Quebec. There is no such provision in the United States.

The use of replacement workers during a strike is prohibited in Quebec, Ontario and British Columbia. In the U.S. if em-

ployees choose to go on strike, their employer can immediately and permanently replace them.

As Paul Weiler, professor of labour law at Harvard University put it: "For employees who may have spent 20 years with the company building up a stake of experience and seniority that can rarely be duplicated elsewhere, the stark reality is that if they do go on strike, they can be replaced by the company with people who in less than 20 minutes on the job gain permanent priority over the striking veterans".

Labour standards and occupational safety and health legislation in the United States is also very different from such legislation here in Canada. For example, U.S. legislation, unlike Canadian legislation, does not require the establishment of a joint health and safety committee, nor does it contain a right to refuse unsafe work. The right to refuse unsafe work by health and safety committees exists in every single jurisdiction in Canada.

• (1410)

While all Canadian jurisdictions have mandatory maternity and paternity leave provisions, with the right to return to former jobs and the continuation of benefits, very few jurisdictions in the United States require employers to provide pregnancy leave.

There are no individual standards for notice of termination or any severance pay legislation in the United States. In Canada, on the other hand, all jurisdictions require an employer to give notification to an individual being terminated, and Ontario and the federal jurisdiction provide for mandatory severance pay.

In Canada most jurisdictions require advance notice of plant closures involving 50 or more workers. Recent U.S. law sets minimum notice requirements for plant closures and mass lay–offs by employers of more than 100 employees, but there is no provision for consultation with the unions similar to that found in many Canadian jurisdictions.

My point is to show that the industrial relations climate or culture in Canada differs in significant ways from that in the United States.

In the dispute we are talking about today we have a relatively new employer, perhaps used to another way of doing things and having attitudes and assumptions not yet aligned with the Canadian attitudes and assumptions, and perhaps too ready to adopt a hard bargaining strategy. In this dispute the employer has chosen to use replacement workers, a decision which, not surprisingly, has greatly angered the workers. In their view, the use of replacement workers is the reason the dispute has lasted so long.

As members of the House know, the federal government has been examining the Canada Labour Code very intensively. It has been consulting with representatives from business, labour, and other interested parties. One of the issues being studied is whether the federal government ought to follow the examples set by Quebec, Ontario, and British Columbia in their legislation to prohibit or restrict the use of replacement workers. Those who favour restrictions on the use of replacements argue that when an employer continues to operate during a strike the collective bargaining process is frustrated and the employer's incentive to negotiate is removed, work stoppages are lengthened, and picket line violence is often inevitable.

It is also argued that the use of replacements serves as a disincentive for employees to join unions. Workers who know they can be replaced easily during a strike will wonder about union effectiveness and will be less likely to opt for unionization.

Those who oppose restrictions on the use of replacement workers say that such a move would tilt the balance of power toward labour, inevitably resulting in higher labour costs. They claim that it would deter new investment. The point is also made that most federally regulated industries are infrastructure industries. If they are completely shut down the entire economy would suffer.

The issue is complex and divisive. The arguments on both sides are persuasive. Also persuasive is the fact that 75 per cent of the workforce under provincial jurisdiction is governed by legislation prohibiting the use of replacement workers.

I will end my remarks by reiterating that I cannot support this bill because I believe firmly in free collective bargaining. The state has no business intervening in what are essentially private disputes.

At the same time, I have concerns about the heavy handed and less than accommodating attitude of the company. Like many others, I whether the impasse would have lasted so long had there been restrictions on the use of replacement workers in the Canada Labour Code.

[*Translation*]

The Acting Speaker (Mr. Kilger): The hon. member for Verdun—Saint–Paul, on a point of order.

Mr. Lavigne (verdun—Saint–Paul): Mr. Speaker, I ask for unanimous consent that the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

> Bill C–313, an act to provide for the resumption and continuance of the operations at ADM Agri–Industries Ltd., be not now read the second time but that the order be discharged, the bill withdrawn and the subject matter referred to the Standing Committee on Human Resources Development.

[*English*]

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion of the hon. member requesting that the bill be dropped and the subject matter referred to the Standing Committee on Human Resources Development.

Is there unanimous consent?

Some hon. members: No.

[*Translation*]

The Acting Speaker (Mr. Kilger): Since no more members wish to speak and the motion is not a votable item, the time provided for the consideration of Private Members' Business has now expired and the item is dropped from the Order Paper, pursuant to Standing Order 96.

[*English*]

It being 2.15 p.m., the House stands adjourned until Monday, May 29, at 11 a.m. pursuant to Standing Orders 28(2) and 24(1).

(The House adjourned at 2.17 p.m.)

HOUSE OF COMMONS

Monday, May 29, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

IMMIGRATION ENFORCEMENT IMPROVEMENT ACT

The House resumed from May 12 consideration of the motion that Bill C–316, an act to amend the Immigration Act and the Transfer of Offenders Act, be read the second time and referred to a committee.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I take this opportunity to congratulate the hon. member on his initiative. I know how hard he has worked in order to introduce this private member's bill. His constituents are very fortunate to have him as their representative. He is hard working and I wish him well.

The bill relates to immigrants or refugees in Canada who have criminal records. On the surface the bill would help the government deport those refugees or immigrants immediately after sentencing provided a provision is made to pass the authority to the provinces to deal with this issue.

On the surface the bill makes a lot of sense. It is precise and to the point. However, it causes quite a bit of confusion when one goes a little deeper into it.

The Minister of Citizenship and Immigration has already indicated publicly that he supports the intent and the spirit of the bill but has raised a number of concerns which I will reiterate. On November 1, 1994 the minister tabled a document entitled "Into the 21st Century: A Strategy for Immigration and Citizenship". He made a number of comments but I will mention only a couple which I believe are relevant to the legislation before us.

• (1105)

The minister said: "A number of legislative changes will be considered to the control and enforcement provision of the act. For example, currently deportation orders can only be issued by an immigration official. Consideration is being given to authorizing judges to issue deportation orders at the time of sentencing rather than requiring a separate step".

He also said there may be other improvements we can usher into the system. One such recommendation coming from chiefs of police is to permit judges to not recommend deportation at the time of sentencing but to order deportation at the time of sentencing so that the system is leaner and the issues of individuals are all dealt with at the right time and that there is full due process for the individual, counsel and lawyer to react to the judge's ordering of a deportation rather than recommending and then having it go back to immigration and before an immigration appeal division and so on.

In other words, the minister is already trying to streamline the process and make it easier for the justice system to deport people with criminal records who are here as refugees or landed immigrants.

He further stated that as parliamentarians we should be interested in this issue and also be prepared to look at making the relevant amendments if we think the amendments will work, which is very important, and if we think those amendments are fair. The minister supports the spirit and the intent of bill C–316. However, I will outline some concerns of the Department of Justice as well as the Department of Citizenship and Immigration.

Immigration falls under federal jurisdiction when it comes to deliberation and delivery of the justice system. If we were to pass on this jurisdiction to the provincial level there would be a number of problems. The department which deals with the issue of immigration is not the same department which deals with delivery of other relevant aspects of immigration.

If this were transferred to the provinces since this is where the issue would fall under Bill C–316, we would have to introduce training for judges and lawyers in some cases. That would cause more delays. Over and over we have seen cases tossed out of court because they were delayed for too long. It would mean more appeals. We already have an overloaded provincial court system.

When dealing with the provincial justice system we know attorneys can make recommendations to the court based on a number of factors which are not part of immigration agenda but are a part of other aspects of the justice system such as plea bargaining. Judges would then require proof beyond a reasonable doubt which would make the issue before the court difficult to prove.

This legislation contravenes the charter of rights when it comes to challenges. A number of sections could be challenged such as section 11(h) which deals with double punishment. It could be argued that deportation is a second form of punishment in addition to any other sentence; only a non–citizen would be subject to this punishment.

• (1110)

Section 12 deals with cruel and unusual punishment. It could be argued that removing the permanent resident from Canada would offend standards of decency by denying for life the person's right to be with family and friends.

Under section 15, equality under the law, it could be argued that permanent residents were being treated differently from Canadian citizens under the law. Two persons convicted of the same offence would be subject to different consequences based on their immigrant status.

Simply by looking at these recommendations from both the Department of Justice and the Department of Citizenship and Immigration, while the intent of the bill is good I suggest my colleague might want to take it back and look at it with the view that if anything is put before the House it should be consistent with the charter of rights and freedoms and should meet the criteria set out by the Department of Justice and the Department of Citizenship and Immigration.

The Acting Speaker (Mr. Kilger): I remind members that when in doubt in seeking the floor please rise; do not depend on any lists that might or might not be in circulation.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I appreciate the opportunity to speak to this bill which if successful and sufficiently improved could be a good first step in ensuring the quick deportation of foreign born criminals.

I appreciate the work the Canadian Police Association has done on the bill. I appreciate that my colleague from the Liberal Party was brave enough to sponsor it. Clearly the goals of the bill are not shared by the minister of immigration. If they were, these measures would have been amended to Bill C–44 when it was up for debate.

The minister knew the recommendations of the Canadian Police Association but chose not to act on them. He chose to ignore these common sense measures which, when the legal language is cleared up by a competent lawyer, would take a small step toward ensuring non–citizens who commit serious crimes in Canada will make two stops after they leave the court room, one to the prison and one to the airport where, unless Canadian immigration allows them to run away on the tarmac as was the case last week, they will be sent where they belong, out of Canada.

The bill has a lot of serious problems that will require serious study and fixing before the bill can be made effective. I trust it is the intention of my colleague to work on these weak points. I hope the bill is not window dressing, the sort of smoke and mirrors tactics the minister of immigration loves to engage in.

My colleague from Cariboo—Chilcotin dealt with the bill's problems admirably during the last hour of debate. I will not beat that dead horse. However, before the bill goes any further it is necessary to look at the big picture of deportations. It is necessary to understand what the Reform Party wants to see with deportation policy.

The Reform Party's stand on non–citizen criminals is clear, simple and in line with what the majority of Canadians want, something the minister for immigration would have a hard time understanding. Our policy for non–citizen criminals would not result from bargaining with special interests or with refugee lawyers but from consulting with our members, our constituents and with the people of Canada.

I am sure my hon. colleague, the sponsor of the bill, understands what the people are saying on immigration matters. I understand a lot of Liberal backbenchers are feeling the heat from their constituents. It is too bad they cannot do anything about it. It is too bad they have to toe the Liberal Party line.

• (1115)

We believe that the people who have not exercised a claim to Canadian citizenship or who have not lived in the country long enough to claim citizenship and who commit serious crimes have violated a moral contract entered into with the people of Canada.

The Reform Party believes that immigration to Canada is a privilege, not a right. We believe that the people of Canada, the citizens of Canada, have the collective right to determine who comes into Canada, how many people are allowed to come into Canada and under what conditions.

A newcomer to this country enters into a moral contract with Canada. There are several terms of that contract. The most important of them is that the newcomer must abide by the laws of this country. There is nothing that angers my constituents like recently arrived immigrants to Canada who commit crime. That drives them up the wall, and rightly so. Canadians collectively have the right to be morally outraged when the wonderful gift of Canadian residency is extended and then the recipient of that gift violates our laws.

We are above all else a nation of laws. That defines Canada. We demand of anyone who immigrates here that those laws are to be respected. That is a demand. When someone ignores that demand, violates the moral contract with Canadians and makes a

mockery of the Canadian generosity by breaking the law, then that person should be removed quickly and permanently.

I challenge the government. I challenge the immigration minister and the Prime Minister to poll Canadians, ask Canadians if they feel that newcomers who break the law should be removed quickly and permanently. Mr. Speaker, I will bet you Sergio Marchi's pension that they will say yes.

Some hon. members: Order.

An hon. member: You know better. You are not a rookie any more.

The Acting Speaker (Mr. Kilger): I am sure that although we have been away from this place for a week, colleagues will remember very well the traditions and rules of the House in referring to one another either by riding name or portfolio in terms of ministry.

Mr. Hanger: Mr. Speaker, I will heed that caution.

Immigrants are responsible for a small percentage of crime in Canada. Immigrants are under represented in Canadian prisons. That speaks to the character of immigrants to Canada. That speaks to the gratitude of the immigrant population. The immigrant population, like in all populations, there are some who will break the law.

Immigrants have come to me on a tragically regular basis asking me to do something about crime in their communities. When we deport foreign born criminals, we are not picking on immigrants; we are protecting them. Immigrants come to this country seeking a better life and because the overwhelming majority of immigrants do not break the law, Canada has a duty to ensure that the problems and the crime that many immigrants have left behind in their countries of origin stay there, out of Canada. That is our duty.

Do immigrants who break the law deserve to be doubly punished? No. Should they serve more time because they are immigrants? No way. However, if a non–citizen breaks the law then they have done more than just violate our law, for which the criminal justice system will deal with them. They have also broken a moral contract: they have broken their promise to obey the laws of the country they have adopted and that has adopted them.

As a result of the violation of that contract Canada has the right to say we don't want to include them in our national family. We have the right to view that period of time between the date the newcomer comes to this country and the date they receive their citizenship as a period of probation. If that probation is violated, then there is no onus on Canada to provide a home for that person any longer.

The Reform Party supports quick deportation after conviction. We will support this bill on the condition that the gaping holes in this legislation are plugged by the committee. We will cooperate with the sponsor of this bill to work out those problems, despite the fact that those are huge problems as the bill is presently written.

Today let me speak briefly to one of the big problems in this legislation, and that is the problem of reciprocal agreements with other countries.

• (1120)

This bill says that a criminal court judge can only order deportation back to countries with which we have a co–operative agreement. In other words, the only countries we can deport people to are countries that say they will take them back.

The problem we run into is that a lot of our foreign–born criminals come from countries that are notorious for not taking back their own. What is this bill going to do about that problem, the so–called travel document problem? It does nothing except to give in to it. That is not good enough. It means that a large part of the overall problem will not be dealt with by this legislation.

I do not expect my colleague to be able to single handedly fix that problem, but the government can fix the problem. The inability to secure travel documents is no excuse for not being able to deport.

The Reform Party today is putting this government on notice that we will no longer accept the excuse of not being able to get travel documents. We give away far too much foreign aid for that excuse to be valid. If a country will not take back its citizens who commit crime in Canada, then the minister of immigration should recommend to the Minister of Foreign Affairs that all foreign aid in any form be suspended to that country until they change their tune.

No deportation, no foreign aid: it is a simple solution. Most of the solutions to Canada's immigration problems are simple ones. They only require a little political will.

I thank my hon. colleague for sponsoring this legislation. I hope this gesture has implications within his caucus. I hope we can impress on the immigration minister the need to get serious with immigration policy. So far the minister has not figured that out.

[*Translation*]

The Acting Speaker (Mr. Kilger): The hon. member for Roberval would like to raise a point of order. Please give me a moment, as I would like to check something.

• (1125)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, thank you for allowing me to raise my point of order. I would like to seek from the House unanimous consent for an emergency debate. I realize that, according to the order of business—I will

be brief—such a request can normally be made only after the regular period of routine proceedings, which will end at approximately 3.15 p.m. today.

However, given the importance of the issue in question and the need to prepare ourselves for the debate, if the House were to accept my proposal, I think that you would find unanimous consent in this House for the following motion: "That the House take into consideration the situation of Canadian peacekeepers in Bosnia–Hercegovina".

Given the extremely serious situation there, it is important that the House immediately consider this request for a three hour emergency debate, to begin at 6.00 p.m. The details of the debate could be worked out with the government later, but it is important that we immediately make up our minds on the necessity of the debate.

Therefore, I would ask my colleagues whether they will give their unanimous consent right now to holding a debate at 6.00 p.m. tonight on the situation of the peacekeepers, an extremely important issue.

The Acting Speaker (Mr. Kilger): Firstly, I would like to thank the hon. member for Roberval for his patience while I verified the rules governing this process. I give the floor to the parliamentary secretary to the Leader of the Government.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, on the same point. I can see the hon. member's point of view, but I am quite surprised that he did not inform me that he planned to introduce this motion this morning.

[*English*]

I am prepared, to enter into discussion with him. We are always willing to entertain such discussions with hon. members in the opposition when they have suggestions concerning House business. However, I am aware of no such discussions on the subject this morning.

In the normal course the hon. member and others may wish to bring forward an application under Standing Order 52 at three o'clock. I think it is entirely appropriate that this be done, and the Speaker then will consider whether the circumstances exist for an emergency debate.

Tomorrow is an opposition day. It has been designated as such and it is available for discussion on the subject should the opposition choose. There is plenty of opportunity for the House to engage in the debate, and I do not feel there is need for us to set aside business and indeed the hon. member is not suggesting that we set aside the business that is scheduled today for the House. I suggest we proceed with it at this time.

The Acting Speaker (Mr. Kilger): Before I give the hon. member for Calgary Centre the floor I would like to remind the House to be cautious. I do not intend to get into the debate at this time. As soon as possible I would like to put the question to the House with respect to the request from the hon. member for Roberval for unanimous consent. I do not want to prejudge what the decision of the House might be in the matter.

I will hear the hon. member for Calgary Centre on a brief intervention.

Mr. Silye: Mr. Speaker, I would like you to clarify whether in fact under the standing orders other business can be brought up or new items can be brought up during Private Members' Business. Do we not have to stick to the agenda for the hour and then seek unanimous consent? I am just questioning the timing of the request.

The Acting Speaker (Mr. Kilger): That is exactly the point I was taking time to get more information on while I asked the hon. member for Roberval to be patient before getting the floor.

I have been assured that the request can be made for unanimous consent at any time and the House will deal with the question as it arises.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I would point out that the hon. member for Red Deer has already made an application to the government to have an emergency debate on Bosnia.

The Acting Speaker (Mr. Kilger): Let me deal with the matter at hand, following the intervention of the hon. member for Roberval.

[*Translation*]

You have heard the hon. member for Roberval's arguments for unanimous consent. Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Kilger): No.

Therefore, let us resume debate.

• (1130)

[*English*]

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, I am pleased to rise this morning to deal with private member's Bill C–316.

I know there has been a lot of discussion surrounding this issue in the larger cities of Canada, but make no mistake, this issue is not just of concern to large cities. I represent the people of Souris—Moose Mountain, a rural riding in southeast Saskatchewan. Crime for them is of great concern as it is to all Canadians.

The people of my riding are honest hard working individuals. They work every day to see that the future of Canada is a good one for their children. We are not so different from the people in

Toronto, Montreal or Vancouver. We dream of the future and we hope for our children. We feel strongly that we live in the best country in the world and we want to keep it that way.

Let me say that the murders of Georgina Leimonis and Constable Todd Baylis were reprehensible crimes. The sad thing is that these are not isolated events. We should be able to stop these kinds of things from happening in our country. We must work together to see that we reach a balance which protects the rights of individuals and allows for freedoms, but also provides for security for us to live and raise our families and walk our streets in safety.

I congratulate the Minister of Citizenship and Immigration. He has done an admirable job this past year and one–half in producing reforms and actions that have and will greatly improve our immigration and deportation system.

Measures contained in Bill C–44 have limited the rights of serious criminals to appeal under the immigration system. However, there still seems to be room for further tightening on the rights of serious criminals. There is still room for a criminal to fall through the cracks between the courts and the Immigration Act.

Many appeals are available to a convicted criminal both through the criminal process and the Immigration Act. Bill C–316 would still permit the criminal to have access to appeals through the criminal process. It would only limit his or her access to the appeals in the Immigration Act. Remember, we are talking about convicted criminals who have committed a serious crime.

This bill applies to criminals convicted of an offence punishable by a sentence of 10 or more years. The measures contained in this bill will accelerate deportation by allowing the court in addition to any other sentence to order the removal of a non–citizen.

It would save the Canadian taxpayer money because the two separate hearings, immigration and sentencing, would not be needed. Instead of two hearings, the courts would decide both the sentencing and deportation. It would not just save money; in the case of Todd Baylis, it may very well have saved his life. We believe strongly in freedom in this country but we cannot allow our freedom to go so far as to limit our security.

Some people have criticized this bill because they believe it punishes non–citizens more than it does Canadian citizens and it treats them differently. Of course this is already true of our current laws. Non–citizens cannot vote. Under the current law non–citizens are already subject to deportation.

The only difference contained in Bill C–316 is that the sole responsibility for both the criminal sentence and deportation would lie within the courts and not within those two bodies, the courts and immigration. Taking out this extra step leaves less room for error, less room for bureaucracy to step in and less room for criminals to get lost in the shuffle.

• (1135)

Let me cite one incident. Mr. Ng, the individual who came from California, ended up in Calgary. There he stayed for five or six years while the taxpayers had to absorb the cost. Hopefully this mechanism put forward by my fellow parliamentarian would alleviate this kind of excessive tax burden on individuals having to put up with dangerous criminals hiding within the existing law.

This bill has been endorsed by the Canadian Police Association and the Metro Toronto Police Association. Certainly that should tell us something. These are the people who come face to face with these problems each day. They are trying to make our streets safer. We would do well to give them a hand.

An additional measure in the bill that ensures fair treatment of non–citizens is the provision that it does not apply to anyone who arrived in Canada before the age of 16 years, as long as that individual remained free of criminal charges for a period of five years. That is a very important feature. We do take responsibility for those who have been raised in our society whether they are citizens or not.

Before concluding let me touch upon a couple of issues that have come forward with regard to party line. Within the framework of this bill we have the ability to cross party lines to support those initiatives that make good sense to all taxpayers.

The member of Parliament for Cambridge has wrestled with the bill. I am sure he is prepared to entertain any amendments that would strengthen it. In that way we can resolve that those people who do not understand it is a right and a privilege to be here and want to abuse both, we would rather not have them as citizens of our country. It would be much better if they were back in their own country.

Concerning the criminal element, we have some real problems. As some amendments go before the committee we will deal with the deportation aspect. I have strong reservations about suggesting that because criminal elements come here from foreign countries that we would then punish those people by removing foreign aid. I would not support that.

The private member's bill by the member for Cambridge is a good one. It has given us reason to think on how we can improve our society.

In conclusion, I support and commend my colleague the member for Cambridge for a job well done. He certainly has the best interests of his constituents and his country at heart. I urge other members of the House to consider the intent of this bill very carefully. We want to make our streets safer. We want to create a society which will continue to be the number one country in the world in which to live, as stated by the United Nations.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I rise today to speak in the debate on Bill C–316, an act to amend the Immigration Act and the Transfer of Offenders Act.

I congratulate my colleague, the Liberal member for Cambridge, for getting involved in this matter. Crime is a matter of the highest concern to myself and the members of the Bloc Quebecois, as it is to everyone. We believe that government has the obligation and also the right to protect people against criminals, whether they are born in Canada or elsewhere.

• (1140)

The aim of Bill C–316 is to improve the process of deporting those who have committed violent crimes and to transfer the powers of the Department of Immigration to the courts. As justification for this bill, the member cited two murders, which took place in Toronto last year and which moved the public, including the members of the Bloc Quebecois. We deplored these two murders—one of a young woman, the other of a police officer. We do not, however, consider the bill justified in the present context. I believe it will create more problems than it hopes to resolve. I note the hon. member included a clause providing for an exception whereby, for example, young immigrants under the age of 16, who had arrived in Canada at an early age, would not be deported. This is an excellent principle, but contained in a flawed bill.

I have often said that young people who arrive in Canada when they are very young become the products of Canadian society rather than their society of origin. Poverty and adversity—problems we have here in Canada—sometimes lead to crime, and we must fight these problems at their very root.

A few months ago, here in this House, we debated Bill C–44. As we know, present legislation already gives the Department of Immigration powers to deport criminals who have committed crimes here in Canada and to prevent foreign criminals from entering the country. Bill C–44 accords additional powers to the Department of Immigration and, particularly, to the minister.

As you know, and my colleague knows this because he sits on the Standing Committee on Citizenship and Immigration with me, just about every organization, except the police association, came and testified against Bill C–44. We understand why the police association always adopts the same position against crime.

One of the observations made in the discussions on Bill C–44 was that the bill would impose a double penalty for the same crime, that is, it would punish an individual twice for a single crime. This is unacceptable in any legal system, here or elsewhere. Under Bill C–316, this is even more clearly the case. An individual would be punished twice, particularly by the courts. The courts would punish the offence and then add a second punishment: deportation.

To date, deportation, the expulsion of immigrants, has been an administrative process. It is the responsibility of the Department of Immigration, and, according to my colleague's bill, it should be the responsibility of the courts. We all know that the courts lack jurisdiction to decide on matters where human life is at risk. There are matters of life or death involving the application of the Geneva convention, which imposes certain conditions on signatory countries, such as Canada.

Existing legislation provides a process whereby those accused may turn to the law. Deporting an individual requires a decision by an arbitrator. This decision may be appealed before the Immigration and Refugee Board.

• (1145)

This bill also addresses the issue of transferring criminals from Canada to other countries. True, some bilateral treaties now in effect allow such a transfer if requested by the offender; if there is a bilateral agreement, these people are sent back to their countries of origin. However, not all countries are willing to sign such treaties. Why would the country of origin pay the cost of incarcerating a criminal for several years for a crime that was not committed on its own territory? In this sense, I do not find this bill realistic.

This bill would also penalize the families of criminals. Having been trained as a lawyer, I know that this infringes on the most basic of rights. This is unacceptable. Why should two year old or three year old children pay for their father's crime or a woman for her husband's crime? In my opinion, the philosophy currently evolving in Canada against immigrants with criminal records goes too far.

I read the presentations carefully and I listened to my colleagues earlier. No one in this House mentioned that the crime rate among immigrants is lower than among those who were born here. Statistics show that the percentage of immigrant inmates in Canadian prisons is lower than the percentage of Canadian–born inmates. So punishing an individual by association is both unacceptable and inhumane.

I have noted that Reform members have serious reservations in this regard and that Liberal members support this bill. I really followed with great interest the speech by the Parliamentary Secretary to the Minister of Citizenship and Immigration, and I agree with her analysis.

I think that this bill raises many constitutional issues as well as many questions in connection with the Canadian Charter of Rights and Freedoms. It violates the following sections—which I did not have time to read—namely section 11, which provides that any person charged with an offence has the right not to be denied reasonable bail without just cause; section 12, which provides that everyone has the right not to be subjected to any

cruel and unusual treatment or punishment; and, above all, section 15, which provides that every individual has the right to equal protection and equal benefit of the law without discrimination based on race, religion, national origin, and so on.

For this reason alone, this bill is unacceptable. But there are other compelling reasons to reject this bill. There are always humanitarian considerations that anyone can invoke. The current law, as well as Bill C–44 now before the Senate, provides that a person can always invoke humanitarian considerations. This bill, however, would prevent these considerations from being put forward.

The current legislation is adequate. In fact, every day, the minister of immigration and his officials prevent hundreds of potential immigrants with criminal records from coming here. Every day, dozens of people are removed from Canada to foreign countries. Since the minister already has this power, I think that this bill is totally unnecessary, and that is why I will vote against it.

• (1150)

[*English*]

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, as you are aware, Bill C–316 is a private member's bill put forward by the member for Cambridge. In short, the bill proposes to give provincial court judges the power to order deportation at the time of sentencing.

On the surface the proposal seems to make sense. In spirit and intent the bill would simplify the bureaucratic process, eliminating the need for a deportation inquiry. Instead, a foreign born criminal would be ordered deported at the time of sentencing and hopefully be removed without incident following the completion of his or her sentence.

Both the Canadian Police Association and the Canadian Association of Chiefs of Police have called for this type of legislative change. There are a number of gaps in the present system through which foreign born criminals can disappear underground between the time they complete their sentences and the time they are called for the deportation inquiries.

The minister is sensitive to the concerns raised by the Canadian Police Association. He has discussed the possibility of such a change on two separate occasions. On November 1, 1994 the minister tabled a document entitled "Into the 21st Century: A Strategy for Immigration and Citizenship". In the document the minister raises a number of possibilities for legislative change:

> A number of legislative changes will be considered to reinforce the control and enforcement provisions of the Act. For example, currently deportation orders can only be issued by an immigration official. Consideration is being given to authorizing judges to issue deportation orders at the time of sentencing, rather than requiring a separate step.

That can be found at page 59. He further referred to such a possibility in his speech at second reading of Bill C–44.

> There may be other improvements that we can usher into the system and one such recommendation, for instance, coming from some of the police chiefs is to permit judges to not recommend deportations at the time of giving sentence but to order deportation at the time of sentencing so that the system is leaner, so that the issues of that individual are all dealt with at the right time, and that there is full due process for that individual's counsel and lawyer to react to that judge's ordering of a deportation rather than recommending and then having it go back to immigration and before an immigration appeal division and so on.

In light of the foregoing it is safe to say the minister supports the spirit and intent of Bill C–316. However, there have been a number of technical concerns raised not only by the Department of Citizenship and Immigration but also by the Department of Justice and the Solicitor General.

Take a look at some of the concerns from the Department of Citizenship and Immigration. This legislation raises some serious constitutional questions. The supreme court has established that deportation is not a form of punishment but rather an administrative decision taken by Canada. Bill C–316 seeks to change this. By making deportation a sentencing option it suddenly becomes a criminal punishment.

There are no fewer than three constitutional clauses that could be used to argue against the sentence. For instance, section 15 deals with equality under the law. It could be argued that two tiers of punishment would be available to judges if Bill C–316 came into effect, one for citizens and the other for non–citizens. We would have a case where two people commit the same crime, yet the punishment would be harsher for one than for the other.

Section 11 deals with double punishment. It could be argued that removal from Canada would represent a second form of punishment in addition to any other sentence. In effect, non–citizens would face the prospect of being punished twice for the same offence.

Section 12 deals with cruel and unusual punishment. It could be argued here that removing a permanent resident from Canada is tantamount to denying for life a person's right to be with family and friends, to earn a living or to communicate freely in the course of daily living.

• (1155)

Let us look at some of the concerns raised by the Department of Justice. There is a clear potential that even the simplest case could become mired in constitutional wrangling, which could stretch on for years and cost the taxpayers hundreds of thousands if not millions of dollars.

If the bill were to pass we would be transferring the responsibility for removing potentially dangerous criminals from the federal immigration department, whose representatives are experts in the field, to the provincial crown attorneys and judges. We should not dilute federal responsibility for something as important as the deportation of violent offenders.

It would take both time and money to train lawyers and judges to deal with immigration cases. The international obligations that Canada has with respect to immigration matters are not well known to judges acting in criminal matters.

Plea bargaining could become a convenient way for people who should not be in the country to stay in the country. There would be also be more appeals to our overloaded courts.

Deportation can be a complex process requiring travel documents and international co–operation. These are affairs which are best handled by the immigration department, which will continue to be responsible for all other deportations of persons who have entered Canada illegally, have been convicted of serious crimes in other countries or have otherwise violated the Immigration Act.

Judges require proof beyond a reasonable doubt before they can issue any court order. Bill C–316 as it stands could not withstand a charter challenge. The federal court has established that deportation is not a form of punishment but rather is an administrative decision taken by Canada.

Let us look at some of the concerns raised by the Solicitor General. The purpose of the Transfer of Offenders Act is to accommodate non–Canadians serving sentences by making it possible, on the basis of an arrangement between states, to transfer offenders so they can serve time in their homeland. This act is not meant to support orders which may have been made by the court.

Bill C–316 proposes that the act be amended to allow Canada to remove any foreign criminal serving time in a Canadian prison. There is absolutely no incentive for foreign countries to pass treaties with Canada whereby we would transfer to them the cost of punishing offenders who have committed crimes in Canada.

The government wants to ensure that all dangerous foreign offenders are ordered removed. We also want to ensure that the humanitarian concerns, which are an important part of the immigration system, are consistently applied to all persons subject to removal orders.

Bill C–44 seeks to remove all appeal rights from the Immigration and Refugee Board by dangerous criminals hoping to delay or prevent their removal from Canada. It also would prevent the release of unescorted convicted criminals under deportation order from Canadian prisons until they can be removed from Canada.

Many of the proposals which this bill would seem to resolve have already been dealt with in Bill C–44. The system works, but it could work far better than it does at the present time. The hon. member for Cambridge is clearly pointing out that there is need for change. We are taking action, but we must weigh our options carefully. All too often there is a difference between what sounds good and what is practical.

• (1200)

Mr. John Maloney (Erie, Lib.): Mr. Speaker, it gives me great pleasure to address the House of Commons today on the issue of Bill C–316, an act to amend the Immigration Act and Transfer of Offenders Act, tabled by the hon. member for Cambridge.

There is no doubt that Canada is one of the most welcoming countries in the world for those emigrating for family or business reasons and for those fleeing persecution around the world. Because of this tradition, the people of Canada were awarded the Nanson medal by the United Nations high commissioner for refugees, a recognition of the entire nation's outstanding efforts on behalf of refugees.

We all want to preserve this tradition. However, it has become apparent in the past few years that a system that was designed to be fair, compassionate, and open became overburdened with the number of applicants waiting to come to Canada. The system showed signs of breakdown. Cracks began to appear. Some immigrants and refugees were being processed who perhaps should not have been. Many immigrants who had arrived as youngsters may have found themselves in their teens or early twenties in the midst of a recession and perhaps with a lack of opportunities.

Any society during tough economic times sees the crime rate rise as people become frustrated. Several high profile horrendous crimes that were prominently reported in the newspapers involved non–citizens. I think of the tragic shooting deaths of constable Todd Baylis and Georgina Leimonis. Canadians began questioning what had gone wrong. Why had these young men with lengthy criminal records slipped through the cracks?

When this government was elected it promised to make homes and streets safer places for all Canadians. In response to our promises and to address the problems demonstrated by these high profile crimes, the Minister of Citizenship and Immigration introduced Bill C–44. This bill took steps to eliminate the cracks that had previously appeared in the immigration and deportation systems.

My hon. colleague from Cambridge has been moved by the letters and interventions from constituents in his riding, young

and old alike, and has therefore taken the initiative to learn what could be done and to respond with legislation on the issue.

The highlights of Bill C–316 can be summarized as follows. The proposed bill aims to improve the way in which deportations of violent offenders who are non–citizens are carried out. The bill enables the court, in addition to any other sentence, to order the removal of a non–citizen convicted of an offence punishable by 10 or more years. The bill accelerates the deportation process, thereby saving Canadian taxpayers much money.

The bill does not apply to anyone arriving in Canada prior to 16 years of age as long as that individual remains free of criminal convictions for a period of five years. We must, as Canadians, take responsibility for some of those who are raised in our society.

Foreign offenders could be returned to their country of origin if reciprocal conditional release conditions existed and if so ordered by the courts. Currently an offender is transferred if he agrees to be transferred.

I too have heard from constituents on this issue. Many are outraged over the senseless killings of constable Baylis and Ms. Leimonis. I support the general intent of this bill and I believe it to be in keeping with both our immigration and justice policies.

I do have some concern that the dependants of individuals would also be subject to removal. This perhaps could be an area that could be revisited on a case by case basis as the practical implications are considered.

It is my understanding that provisions allowing the judge to order the removal of offenders is something that may be considered by the Department of Citizenship and Immigration at some future time. While some of our hon. colleagues have difficulty with the constitutionality of this provision, some say that such treatment would discriminate between citizens and non–citizens. Non–citizens are, under the law, subject to removal in any event under the current immigration policies. This bill only provides for an expedient and cost efficient alternative as to who might make this removal order. I do recommend, however, that safeguards be built in as to the ability to avoid plea bargaining to avoid the removal order. I would like to see some provisions that the removal order not be dealt with in conjunction with the sentence.

I certainly support the addition of the clause that provides for exception for those offenders who entered Canada before the age of 16 years and who have been free of criminal conviction for five years. This is fair and in keeping with our immigration policy principles. I refer to the situation of Mr. Clinton Gayle, who came to Canada at a young age and was under a removal order. It was over two years old. While Mr. Gayle may have been socializing in Canada, it was determined that he should be removed. These removal orders must be dealt with immediately.

The bill before the House does not deal explicitly with the issue of enforcement and process. One can conclude that if an offender is in custody and has been sentenced and a removal order made, the offender will not be released back into the community. Deportation of undesirables who have no respect for the laws of our country and who jeopardize our safety and security should be removed. This should be done swiftly, surely and immediately.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of private members' business has now expired.

• (1205)

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ROUTINE PROCEEDINGS

[*English*]

REQUEST FOR EMERGENCY DEBATE

BOSNIA

Mr. Bob Mills (Red Deer): Mr. Speaker, I rise on a point of order. On Friday I sent letters to the Prime Minister, the Leader of the Official Opposition, and the Speaker's office requesting an emergency debate on the Bosnian situation. I believe that Canadians are totally outraged by the lack of action and the lack of information.

I rise and ask for unanimous consent to suspend the business of the House for today and begin an immediate emergency debate on this issue. Canadian troops are being held hostage and are in imminent danger. It is therefore vital that Parliament immediately deal with this issue.

I realize that the BQ has asked for unanimous consent to begin debate at 6 p.m., but given the urgency of the situation I do not believe we should wait any longer. We need a debate now and I am asking for that decision now.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I do not know if the hon. member heard my remarks earlier in response to the House leader for the official opposition when he rose a half hour ago and made essentially the same request.

I am aware that the hon. member regards the situation as urgent. Standing Order 52 of the rules of the House of Commons provides an opportunity for the hon. member to ask the Speaker to order an emergency debate. That opportunity will be afforded to him at three o'clock this afternoon. That is only three hours away. I am sure the hon. member can wait.

We have a significant number of urgent government bills before the House to be dealt with today, and members are here and ready to deal with those.

Mr. Silye: MPs' pensions.

Mr. Milliken: The hon. member says MPs' pensions. That is not one of the bills on today's Order Paper, and he knows that.

The Acting Speaker (Mr. Kilger): Order. I would not want to set the precedent that when any member from any party from any side of the House should want to ask for unanimous consent we would engage in a debate before the actual question be put to the House.

I know the subject matter is one that is deemed of great importance. This is twice today that we are dealing with this question, and possibly we will deal with it again later today or maybe even now, whatever the choice may be by the House.

I simply put the question to the House following the intervention from the hon. member for Red Deer for unanimous consent for an emergency debate. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

GOVERNMENT ORDERS

[*English*]

BUSINESS DEVELOPMENT BANK OF CANADA ACT

On the Order: Government Orders:

May 29, 1994—The Minister of Industry—Second reading and reference to the Standing Committee on Industry of Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

Hon. John Manley (Minister of Industry, Lib.) moved:

That Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada, be referred forthwith to the Standing Committee on Industry.

He said: Mr. Speaker, I am very pleased to begin debate on the motion to refer Bill C–91, the Business Development Bank of Canada Act, to committee before second reading.

I have every confidence that the members of the committee will bring their ideas and convictions to bear on this legislation, which establishes a new mandate for the Federal Business Development Bank under the name of the Business Development Bank of Canada.

The objective of Bill C–91 is to make government assistance in the area of commercial financing more efficient, effective, and relevant to the needs of small business.

[*Translation*]

The bill reaffirms the bank's mandate, which is to provide management, consulting and training services to Canadian entrepreneurs. Small business is faced with a variety of challenges, ranging from the tax burden and deregulation to skills improvement and technology acquisition. But the most pressing need certainly remains sufficient financing and adequate consulting services in commercial management.

Without financing and adequate consulting services, small business cannot set out to conquer either the national or the international market.

• (1210)

It is essential that small businesses have access to financing through debt financing, as well as equity financing at every stage of their development, but especially at the initial stage.

Let us look at the challenges small businesses face when seeking debt or equity financing, in terms of four weaknesses in the services currently provided by Canada's financial markets.

First is the risk factor, as several lending institutions are reluctant to grant loans to certain small businesses, even at rates that take into account the higher risk associated with such loans.

Second is the size of the loan. Whether the loan requested is for $1 million or $50,000, the cost to the bank or venture capital holders to prepare and assess business plans and financial proposals as well as to monitor the progress of the venture generally remain constant.

Third is knowledge. Often financial institutions are not familiar with the nature of industries emerging in the new economy. They do not have any tried and true method to assess the risk associated with granting a loan to new industries or investing in them.

Fourth is flexibility. Lenders are often reluctant to provide financing to potential winners on flexible terms. Traditional lenders usually require payments to spread over the term of the loan. This type of financing can prove overwhelming for businesses at the product development stage, as these businesses have not yet reached the point where they can generate enough sales revenue to offset their debt.

These four problems arise from the fact that our economy is changing rapidly. In meeting the challenges of a knowledge based market, small business has modernized much more rapidly than traditional financial institutions.

[*English*]

The small business community in Canada must move swiftly to innovate and to secure a share of emerging business opportu-

nities. The Canadian economy as a whole relies upon their abilities and entrepreneurship to sustain economic growth and to create jobs.

Here is an instance where government can make a difference to the marketplace. No one is suggesting that governments can replace private sector financial institutions in meeting the needs of the marketplace, but it is in situations such as those I have described where government can provide leadership. We need leadership to demonstrate that it is possible to address the needs of small business in the knowledge economy. One government institution has experience and skills to provide that leadership: the Federal Business Development Bank.

Members may be aware that the bank is approaching its $3.2 billion statutory ceiling for capital and liabilities. With no change to this ceiling, the bank would have to ration credit, turning away qualified entrepreneurs who otherwise are positioned to create jobs. Under this legislation the bank's capital and liability ceiling would be removed and the bank would be subject to a 10–year legislative review, which is similar to the requirements imposed on chartered banks under the Bank Act.

Hon. members will recall that in the 1995 budget the finance minister said that the bank and regional agencies will forge new strategic alliances to ensure co–ordinated delivery of business financing. The bank's new mandate will encourage stronger partnerships and increased cooperation with the regional agencies and other federal financial institutions such as the Export Development Corporation.

[*Translation*]

Mr. Speaker, I would like to address the issue of regional development by showing how important the Federal Business Development Bank is in Quebec. Its head office is located in Montreal, and nearly twenty per cent of its offices are in Quebec.

• (1215)

Over the course of 50 years, the FBDB has provided more than $4.5 billion in loans to small and medium size businesses in Quebec. At present, the loan portfolio for Quebec totals $1.1 billion, shared among 3,600 clients. These past five years, FBDB clients have created 8,500 new jobs and more than 9,000 entrepreneurs in Quebec have benefited from management consulting services provided by the bank.

[*English*]

A similarly impressive story can be told elsewhere in the country. The arrangements we are making with regional agencies, in co–operation with the provinces and territories, will avoid costly overlap and duplication.

Finally, I want the House to understand that Bill C–91 is a key element in our commitment to provide leadership in creating a business climate that promotes small business growth, innovation and job creation. I believe that the innovative approaches the Business Development Bank of Canada will take after this legislation comes into effect will show the chartered banks in Canada that there is a profitable future for them in the service of Canadian small businesses.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, I am very pleased to speak on Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada. I want to draw your attention immediately to the fact that the legislation proposes to continue the Federal Business Development Bank. However, after my comments, you will see that this is hardly the case.

We oppose this bill. As the critic for industry, I oppose this bill for three main reasons, but also for another reason which my colleagues will tell you more about and which concerns regional development. The three main reasons we oppose this legislation are the name change from Federal Business Development Bank to Business Development Bank of Canada, the change in the status or purpose of the new Business Development Bank of Canada, compared to that of the original Federal Business Development Bank and, finally, the issue of the new so–called hybrid capital instruments, which we will discuss in greater detail.

I will first deal with the name change from Federal Business Development Bank to Business Development Bank of Canada. The issue was discussed by members of the Standing Committee on Industry, after the parliamentary secretary made that proposal somewhat unexpectedly. The committee did not reject the suggestion for reasons of courtesy and also to avoid any conflict. However, even Liberal members seemed uncomfortable with the idea. The proposal made by the parliamentary secretary sought to change the name Federal Business Development Bank to Canadian Bank for Small Businesses.

Again, committee members accepted that proposal out of respect for the parliamentary secretary. If you read the report tabled by the committee, you will not see any mention of that proposal. That recommendation was made out of the blue, and everyone felt that the name Canadian Bank for Small Businesses was too restrictive. The fact is that the Federal Business Development Bank is involved in the financing of more than just small businesses. Consequently, the proposed name was too restrictive and should have been rejected, but was accepted out of courtesy.

Now we find ourselves at the other end of the spectrum with the name Business Development Bank of Canada. Please note that the French name of the new bank makes no reference to "business". So what we have with this bill is a switch from small businesses alone to the development of the whole of Canada. And this is just as extreme. I do not think that Canada's development is related to a bank, nor is that of Quebec. All this is to say that the original name, Federal Business Development Bank, is well–known and respected in Canada and Quebec, and we do not see why it should be changed. Such a change would

result in a waste of money and energy, given the costs generated in terms of paper burden, logos, etc. Again, this change would result in useless spending and a waste of energy.

The name Business Development Bank of Canada is no better than that of Canadian Bank for Small Businesses.

• (1220)

The second point that deserves criticism, and a fundamental one, is the change of mandate implied by the so–called maintenance of the Federal Bank, which is becoming the Business Development Bank of Canada. This is being done without debate or consultation. It has come out of nowhere and is not based on any mandate. Nobody asked the federal government to change the name of the Federal Business Development Bank. This is done in a routine manner, on the sly, by administrative means, the way this government likes to do things; and that may be the Canada of the future, where things will be done in a routine manner, on the sly. They have come up with this proposal that has nothing to do with what the proceedings of the Standing Committee on Industry, of which I am the vice–chairman, led us to expect. There was no recommendation to that effect.

Previously, the Federal Business Development Bank had a very specific mandate as the last resort for small and medium size businesses. Its primary concern was the development of small and medium size businesses, as stated in section 20(1)(b) which specified that the borrowing legal entity could get a loan if: "credit or other financial resources are not otherwise available to that person on reasonable terms and conditions".

That is what led the Federal Bank to be described as a last resort bank. After one or two refusals at the hands of lending institutions, the borrower, provided it had a good record, could get a loan from the FBDB, once those conditions were met.

At that time, the federal bank was concerned only with economic development through the assistance provided to small and medium size businesses. As we can see in subclause 4(2) of the Business Development Bank of Canada Act, the purpose of the bank will now be to support Canadian entrepreneurship. In carrying out its activities, the bank must give particular consideration to the needs of small businesses.

What is being proposed is a far cry from the last resort bank totally dedicated to small businesses development in Canada. As we will see later on with my colleagues, the scope of the bank's activities is being extended. Clauses 20 and 21 of the bill allow outright interference in everything related to development in Canada, at the expense of provincial governments, and more particularly the Quebec government, by promoting regional development in Quebec's stead by way of unconstitutional or virtually unconstitutional dealings, with Quebec parties.

We already know the Canadian government will try to entice Quebec institutions and companies by telling them: if you want our money, you should ask an equal amount from the Quebec government; if it refuses, that will put an end to our involvement. We can see through that kind of trickery, specially on the eve of the referendum.

If Quebecers vote no at the next referendum, it is that kind of centralist instrument that will be used in the Canada of the future.

With Bill C–91, the bank will not be a last resort bank but a complementary lender to other traditional banks on the market. It will be empowered to make agreements with any organization to become its agent in order to provide services, programs, and financing. It will also be allowed to set up lending consortiums. This is a far cry from the development of small businesses. Those lending consortiums could include both private and public partners.

We think that the complementary role of the Business Development Bank of Canada should be limited to filling the gaps on the market and thus improving the situation. We should specify that its primary role and mandate is to meet the needs of small business, as is said in the act.

Before I conclude, I would like to touch briefly on the new so–called hybrid capital instruments. That means that the federal bank will be able to tap private capital instead of relying solely on government funds, as it has up to now.

• (1225)

Nowhere is it mentioned that, in order to attract private capital, there will be a fixed rate of return. So, the new bank may have to focus on profit maximization in order to provide the most interesting rates of return possible. This will mean a complete turnaround for the new bank, since the old one had fixed rates and could focus solely on economic development.

I want to draw the attention of members to clause 36 that provides for the confidentiality of the information held by the bank. It says that the bank has to protect the information it gathers.

Members have to remember that the committee recommended that information be systematically gathered from all financial institutions in Canada under the direction of the Bank of Canada, Statistics Canada and the Superintendent of Financial Institutions. This bill will hopefully include a provision in order for the new bank to co–operate in inquiries supported by Parliament.

By the way, I see that the Bankers' Association is against the bill, which is a good indication that the government has some very concrete plans in mind. We all know that the Liberal government and the bankers usually agree, but not this time. Why? Probably because the government has some other motives that are political and not economic, especially where the province of Quebec is concerned, in order first to influence the referendum and then to be the only one in charge of economic development in Canada, hence building a centralized and increasingly unitary state.

These are some of the reasons why we will vote against this bill.

[*English*]

The Acting Speaker (Mr. Kilger): I would like to take a moment to remind the House that pursuant to Standing Order 73, under which we are presently conducting our affairs, members have 10 minutes for their interventions, without questions or comments.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am happy to participate in the debate. Once again I am moved to ask myself the rhetorical question: What is it about getting elected that makes venture capitalists out of us all? What is it about getting elected that makes us feel we should be imposing our collective wisdom on the private sector? I would like to address my short remarks at this juncture to that basic premise.

When those of us in this body get together to deliberate, to create laws and entities, the overriding principle we should have, is this: Government should not be involved in any enterprise which is being carried out or could be carried out by private enterprise. We have no business, in my estimation, getting involved in any way, in setting up a crown corporation, which is what we are doing, in competition with existing businesses.

We may not like the banks. Canadians may not get up in the morning and say: "Thank God we have the Royal Bank" or "Thank God we have the Toronto–Dominion Bank" or any bank for that matter. We already have mature, functioning and very capable banking institutions.

In the context of what the establishment of a crown corporation in the financial sector will do to enhance the competitiveness of Canadian business, to promote entrepreneurship, to be an incubator of new business, or in any way enhance the standard of living in Canada, we will find that the legislation falls far short of the mark. All it does is create one more bureaucratic organization.

Having said that, I do not fault the rationale or the thinking behind the initial desire to do this. Not too long ago the people of Ontario and Quebec, in particular, found that the heavy hand of recession dealt a vital and terrible blow to the entrepreneur and to the people involved in the business sector, particularly the small business sector. In the west particularly in Alberta, we felt that about 10 or 12 years earlier.

• (1230)

The industry committee, in its report dealing with small business which we worked on for months and months and months, the whole idea was to make the banking institutions in Canada far more responsive to the needs of Canadian business, small business in particular. Then what is it about this new expanded Federal Business Development Bank that is going to change all that?

The role of opposition is to oppose legislation preferred by the government. The intent is to make the legislation better, to point out weaknesses in the government's legislation. Looking at it from that perspective and looking at this legislation and the rationale behind the change in the Federal Business Development Bank, we would first have to ask what the mandate is.

Looking at it from the devil's advocate point of view, what is the mandate of the new Federal Business Development Bank, renamed the Business Development Bank of Canada? According to a news release under the minister's hand the mandate of the new bank is to develop and deliver innovative responses to small business financing and managerial needs. If ever there was a motherhood statement, that has got to be it. How could we possibly argue with such a motherhood statement?

I am a small businessman. The Reform Party is 100 per cent behind the notion of incubating, helping and working with small business. However we are not in the business of competing with existing businesses, even if those competing and existing businesses are, God forbid, banks. Banks already exist.

There is no need for Canadian taxpayers, however tenuously, to be supporting or propping up yet another crown corporation which is what this new entity will be. We are at this very moment trying to get rid of crown corporations. There is the privatization of CN and the recent privatization of Air Canada. Why on earth would we want to set up a crown corporation in the banking sector?

I have already covered the point that there are many people in Canada represented by this side of the House, and I am sure many people in Canada represented by the people opposite, who feel that we should not be reinventing the wheel. We should not be putting our energies into creating something that already exists.

Then the question is: Will this new entity do something different? I tried to find out if it would or would not. I went into the historical record. A speech was delivered to the Board of Trade of metropolitan Montreal on October 25, 1994 by Mr. François Beaudoin. Mr. Beaudoin is now the president and chief executive officer of the new Business Development Bank. He quite accurately pointed out that there are three developing sectors of our economy that need attention: export markets, the

new economy, and working capital. He said that these are three areas in which business really needs some significant support.

He makes the case that 85 per cent of Canada's exports are generated by only 900 businesses. Only 900 businesses in Canada represent 85 per cent of our total exports. The majority of our total exports is in lumber and cars. That very clearly identifies the fact that we should have far more emphasis in our country on entrepreneurial zeal in exporting. What then is this new bank going to do that the Export Development Bank does not already do? We already have the Export Development Bank. Its mandate is to do exactly that.

• (1235)

That portion of the business development bank's new mandate that has as its central purpose the incubation and education of entrepreneurs is something we can support very handily. This new bank is to be nothing more than a bigger, broader representation of the bank which is already in place.

The legislation allows the federally funded crown corporation business development bank which is eventually backed by the Government of Canada to have as an asset base almost $20 billion. The total small business portfolio of all the banks in Canada combined is something in the region of $40 billion. According to the banks, there is more money available than there are people asking for it, based on quality loans.

The last thing in the world we want is the situation whereby the existing banks in Canada are able to tell people who ask them for a loan: "Hey, we think you have a great idea but it is a little risky for us. Why not go over to the new business development bank and ask it for the money?" Therefore, the government is going to absorb the responsibility and liability for all these loans which should rightfully go to the chartered banks. They are the ones that exist in Canada and have the utility, ability and the experience to do everything that is already being done. Our role is to make sure they do the job. Our role is not to put together a complementary lender.

One area the Federal Business Development Bank wants to get involved in is providing working capital loans based on receivables and inventory. Well, where has it been? Does every bank not extend operating loans based on receivables and inventory?

In the vast majority of loans existing with the Federal Business Development Bank today, 53 per cent are in loans of $100,000 to $500,000. The loan portfolio for loans of less than $25,000 for the Federal Business Development Bank which is really the incubator of small business is 1.2 per cent of its total portfolio. Writing these small loans is very risky and very expensive. Of course, the banks do not want to do it. However, we in the House should be very careful that we do not increase the liability to individual Canadian taxpayers just so we can make it easier for the banks to slough off their responsibility to the government funded bank.

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I rise today to support Bill C–91, the Business Development Bank of Canada Act. The legislation represents the next step in the evolution of an institution that has a long and honourable tradition of helping Canadian business respond to the changing demands of the economy.

Fifty–one years ago the industrial development bank was created to help wartime manufacturers convert their facilities for peacetime operations. These businesses needed special attention because it was virtually impossible for them to obtain term loans. At that time chartered banks were prohibited by the Bank Act for making loans against mortgage security.

The majority of IDB loans during its early years went to companies such as machine shops, sawmills, textile and garment factories, flour mills and auto parts manufacturers. In other words, the bank responded to the emerging industries of the day in a nation that was converting its wartime industrial capacity to new challenges.

As the nation's economy changed, so did the nature of the bank's customers. The business community began to respond to new opportunities of the post–war boom and the bank began to lend to wholesalers, retailers, restaurants and the hotel industry among others.

In the 1950s and 1960s the bank began to open branches in non–metropolitan areas of the country. This was a bold move at the time. The chartered banks followed the experiment with a great deal of interest. By the end of its second decade, the IDB had 22 branches across the country.

• (1240)

[*Translation*]

In 1971, the bank began to give businesses regular advice on how to run their operations efficiently. The bank became the only national organization to provide management services, such as consulting, training and planning, to small businesses.

In 1975, the Federal Business Development Bank was created as a crown corporation. Since then, businesses could no longer rely on government grants to execute their bank transactions. The new agency also decided to take up the challenge of providing risk capital to entrepreneurs. Today, the bank has offices in all provinces and territories. It employs 900 people who furnish financial as well as management services to Canadian small and medium size businesses.

Last year, the bank's share financing increased by 45 per cent, for a total of $80 million. As the years went by, the bank acquired an excellent reputation in the field of customer services. According to the most recent survey, 97 per cent of the bank's customers said that they would deal again with the bank and the same proportion of customers said that they would recommend the bank to other people.

[*English*]

It has become apparent that the FBDB must continue to evolve to meet the changing demands of the economy. This need to change has been widely discussed. In its report "Taking Care of Small Business", the Standing Committee on Industry recommended that the mandate of the FBDB be "refocused as a complementary lender to small and medium sized businesses and that it be authorized to use new financial instruments to fulfil its mandate".

The small business working committee emphasized that government sponsored programs should be refocused to fill financing gaps that are not now served adequately by the private sector. Among its recommendations are the following: "To enforce the FBDB's mandate to ensure that its activities are filling the financing gaps, and funding small businesses in all regions of the country including those associated with small and micro businesses requiring loans of less than $100,000, as well as addressing gaps in regional and sectoral lending and working capital requirements". The committee stated: "These objectives should be pursued on a full cost recovery basis".

The Federal Business Development Bank Act has not been amended since originally passed in 1974. It requires updating to reflect market developments such as the use of financial instruments that had not been invented in 1974. Moreover, the bank is now operating at near its statutory ceiling and financial ratios. To respond to forecasted business volume we need to act quickly to provide the legislated authority to increase the bank's equity. If the statutory lending cap is not changed soon, the bank could be forced to ration credit to businesses in the near future.

Under its proposed expanded mandate the Business Development Bank of Canada will be better positioned and equipped to address the specific needs of small business through innovative financing. It will operate where market forces fail to provide access to financing for promising business ventures.

Under its new mandate the bank will continue to be active in smaller loans and investments in its lending and venture capital programs. It will increase quasi–equity and working capital financings. It will also focus more on knowledge based firms without abandoning its traditional activities.

The Business Development Bank of Canada Act will provide the bank with the ability and resources to keep abreast of changing requirements at a time when the small business community in Canada needs the flexibility the bank can offer.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I am glad to rise in the House to talk about Bill C–91, which aims at changing the function and mandate of the Federal Business Development Bank and at renaming it the Business Development Bank of Canada.

I have a few questions to ask about the bill. It is a bit disturbing because the Federal Business Development Bank as we know it works very well.

• (1245)

I met its president in Quebec City. As we know, the Bank lends almost one third of its money—about $1.3 billion—in Quebec. Finally, it serves very well its purpose of bank of last resort. Moreover, the Federal Business Development Bank, as it is now, gives training courses for people who want to start new businesses. These are excellent courses and many Quebec entrepreneurs have taken them. Right now, the bank is self–financing and does not cost Canadian taxpayers one penny.

Nonetheless, Bill C–91 will change the mandate of the bank and radically transform its capital structure. The bank now has a statutory borrowing limit of about $3.2 billion but it is proposed to eliminate that limit and to allow the new bank to borrow as much as it wants. I will come back to that later. This change in the capital structure is disturbing because it will allow the bank to enter into partnership with other organizations and other banks.

The capital structure and the mandate of the bank will be changed completely. Right now, the bank is a last resort lender. It makes loans to business people who cannot borrow from commercial banks via the usual channels. There is a real need for that kind of service. But the Federal Business Development Bank will not necessarily have this last resort mandate any longer since the new mandate will require the FBDB to support other projects through partnerships or through top–up funding. This compromises its original mandate which was to offer last resort funding to businesses.

This is quite disturbing because one has to wonder who will do this job if the Federal Business Development Bank is no longer doing it. If the FBDB changes its mandate and works increasingly in partnership with other banks, who will take over the mandate that is presently carried out so efficiently by the Federal Business Development Bank? It is just as though all last resort cases will be ignored.

But the most troubling question regarding this bill relates to the government's motive for introducing it. Why is the government proposing to change the bank's capital structure and mandate? Why is it removing the loan ceiling and telling the bank not to be a last resort lending institution any longer but to go into partnership with other banks and other agencies in projects related mainly to small and medium size businesses

and exports? There are good reasons for trying to find out the motive for such changes.

• (1250)

Do we really want to help small and medium size businesses or do we want to compete with existing financial institutions? We have to ask the question because this bill allows the Federal Business Development Bank, under its new mandate, to compete directly with existing financial institutions. It is troubling.

In fact, should the federal government compete with the private sector? The government has already made such an attempt in another bill, Bill C–52 brought forward by the Minister of Public Works, giving itself the power to compete directly with engineering and architecture firms. Strangely enough, this bill was withdrawn when we started to criticize the government after realizing that these engineering and architecture firms were concentrated in Quebec. We realized that 90 per cent of the businesses that the government would compete with were located in Quebec, and that is why the bill was withdrawn.

But the government is at it again, giving the Federal Business Development Bank a similar but broader mandate since we are no longer talking about one sector, engineering and architecture, but almost any kind of partnership for economic development. And anybody who takes the time to read the definition of the mandate in clauses 20 and 21 will see that it is very broad. There are no limits to this new bank's mandate.

This is what is troubling, because we know that some of the best examples of the growth of small and medium size businesses in Canada have been in Quebec. It is well known that, if there is one sector in Quebec that has distinguished itself, and is on the cutting edge, it is the small and medium size business sector.

We have established funds in Quebec for the development of small and medium size business, such as the solidarity funds of the FTQ and the CNTU, and a number of programs, such as those of the caisses populaires. It is a very active sector. Why, then, is Canada changing the mandate of the Federal Business Development Bank in order to enter this sector? Does it want to compete with Quebec's caisses populaires? Does it want to compete with the solidarity funds of the FTQ and the CNTU?

Ultimately, can it overstep the authority of the province, which has already established a regional development program, in order to once again increase the visibility of the federal government in Quebec, as it has done elsewhere in Canada furthermore, but particularly in Quebec? Is there a hidden agenda in this bill, a deliberate wish to weaken the many programs that have been established in Quebec by the banks and the solidarity funds, as well as the programs established by the Quebec government itself?

These are some of the questions that come to mind with respect to Bill C–91. There is no compelling need for the Federal Business Development Bank to have a new mandate, when the one it now has is perfectly sufficient. One could wonder whether beyond the economic purpose of this bill there is not another deeper political purpose. That, in fact, is why I personally will not support this bill. Basically, the purpose of this bill is a purely political one. Coming from Quebec, from the riding of Québec–Est, I can see that the Federal Business Development Bank, this new bank, holds nothing for us. It would be better to keep it in its present form.

• (1255)

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, we are debating whether Bill C–91 should be referred to the committee before second reading. In many ways that is positive in the sense that it opens up the debate and allows elements to be raised which would otherwise be restricted because of the conventions of the House. I hope that will be the case and that it will not be a way to circumscribe or limit certain amendments or debate which might otherwise receive the light of day in the House.

I have concerns about Bill C–91 which we ought to look at before we submit it to committee. Changing the name of this bank I do not think will change anything at all. It will cost a lot of money to print new stationery, to put up all the new signs and all those things. What will changing the name do to the actual purpose, function and operation of the bank? I submit it will do nothing.

It sets up a crown corporation which has as its capitalization part a number of instruments which are being used. It has common shares which have a par value of $100. It has preferred shares which are unlimited in number, as are the common shares. The preferred shares have no par value. Hybrid capital instruments will be part of the capitalization. These will be paid in capital by the Parliament of Canada by a parliamentary appropriation but there will be no indication as to how much. There will be retained earnings and contributed surplus to a maximum of $1.5 billion.

There are other provisions which I will draw to the attention of the House, particularly sections 21 and 22, specifically section 22(e). Section 22 includes the ancillary powers but section 22(e) is particularly interesting. The bank may acquire, hold, exchange, lease, sell or otherwise dispose of any interest in real or personal property and retain and use the proceeds of disposition. That kind of provision raises some very interesting questions. How much real estate will the new business development bank of Canada be prepared to buy? What will it do with that real estate? Will it deviate from its traditional role, which

has been to lease real property in which it carries on its business, or will it develop a series of branches throughout the country?

Other sections of the bill also give to the board, to the Minister of Finance and to the cabinet powers which rightfully belong to the Parliament of Canada.

Section 27 gives some very specific powers to the board:

> Subject to the approval of the governor in council on the recommendation of the Minister of Finance, the board may make bylaws
>
> (a) setting out the rights, privileges, restrictions and conditions attaching to preferred shares, creating one or more additional classes of preferred shares and generally determining the rights and obligations of the holders of preferred shares, including
>
> (i) limiting the right of the shareholders to specific dividends or repayments, whether fixed or variable,
>
> (ii) authorizing the purchase or redemption of the shares by the bank, either at the bank's option or at the shareholder's request, and
>
> (iii) limiting or extending the rights of the shareholders in any other way;

That is the second class of shares which makes up the capital of this bank, which really gives to the board the authority to determine how the bank shall be structured. That kind of power ought not to be given to a cabinet. It ought to exist with Parliament because this bank through the Minister of Finance and the cabinet, given this provision, allows that group to create a liability of $18 billion for the Canadian taxpayer.

Who is the shareholder talked about in section 27? The shareholder is the Government of Canada. The Government of Canada now will be told it may or may not own these preferred shares. It may or may not be paid a dividend. It may be paid this much of a dividend or this little of a dividend. That becomes the issue.

• (1300)

Other provisions of the bill ought to be of direct interest to each of us. In particular, I would like to look at subsections 18(4) and (6).

Subsection 18(4) states that the bank may enter into any transactions for the financial management of the bank, including any financial instrument of financial risk such as interest rate or currency exchange agreements, options, futures contracts and any other similar agreements.

Another way of looking at this is that these are derivatives. It permits the personnel of the bank to enter into futures contracts, options, purchasing and selling of options with public money which should be considered a sacred trust. If we look at the way the options market operates and the futures contracts work it means the bank is speculating with Canadian money or has the opportunity to do so.

I am sure the argument will be presented that it will use this only for purposes of hedging interest rate and currency fluctuations. If the bill specified that there were limitations one might not have such grave concern. Because there are no limitations it does not prevent the manager or the president or whoever is in charge from getting into the market directly. It should be a major concern to all of us. Just remember what happened in the Barings bank.

Other sections of the bill should give us grave concern. The designated minister is identified in section 21. Who is the designated minister? At the moment it is the Minister of Industry. It is possible that cabinet could designate any other minister. For example, FORD–Q is one of the regional development portfolios. We heard the Minister of Industry say this morning that one of the purposes of the new mandate is to expand it so that it would include regional development and things of that sort.

Would it not be interesting if for certain matters the Minister of Human Resources Development were designated as the minister of the bank and could direct the bank? In another instance it could be the minister of FORD–Q and in a third instance it could be the Minister of Industry and so on down the line. There is nothing in the bill to prevent that sort of thing from happening.

The obvious questions we have to ask is what can this bank do that the other banks cannot do. What can the other banks do that the this bank cannot do? If it is none of those things and this bank is doing nothing more or less than what the other banks are doing, what in the world are we doing this for?

Some specific arguments ought to be addressed as well. The indication is that this bank shall be complementary to the existing financial institutions, particularly the banks. Then the bill does not define the word "complementary". The only reference in the proposed bill that deals with the previous act is that complementary is taken as that section which deals with the previous section saying that it must be the bank of last resort. In other words, the applicant has to be refused by some other institution before he can apply for money here.

Does complementary mean that it will make loans of an operational capital requirement? Does it mean that it will become a deposit taking institution? What will the Business Development Bank of Canada do that other banks do not? I submit that it will do nothing more or less than is currently available in the marketplace and it is not required.

I want to throw out two more questions. First, will the bank be able to expand its network of offices? Second, which is more important, is: What is a hybrid capital instrument? It is not defined in the bill. When asked what this means certain officials were unable to answer that question but more significantly than that hybrid financial instruments are different from any other capitalization that is provided for in the other sections of the bill.

• (1305)

The other one says that common shares, preferred shares and hybrid capital instruments are not given to the government but may be given to private individuals or persons other than the government. What does it mean?

We must answer these questions before the bill is presented seriously to the House.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I would like to contribute to the debate on sending Bill C–91 to committee before second reading.

Before that however I would like to address a couple of statements made by the hon. member from Edmonton who questioned the need of the FBD bank and indicated in his earlier remarks that when there are already banks out there servicing the community, do we need this?

I want to address those concerns because it is a fair question. The very existence of this bank shows that the present banking system does not meet the needs of small and medium sized businesses. If it did, we would not need it. The present banks do not service the financial requirements, sometimes the operating line, and other needs.

As a small business person I and the hon. member who was also in small business, know that there are a lot of good ideas out there that often do not get financing, that do not get the funds or the financial support from the community. For example, small businesses may start as one or two person operations and expand to become 100 and 200 person operations. As a government we always have to look into the long term. We have to ensure that we have a financial infrastructure to provide small business people with the opportunities to expand and to create new opportunities and employment.

As the hon. member knows, it is the small businesses that are creating the jobs right now. We want to make sure that the infrastructure is there for them to continue to do that. He will know that many times many good ideas get lost because they are not financed.

We can bury our heads in the sand and say: "Everything is fine. Everything is great out there. Every businessman, small or medium, will be able to get financing. They will be able to get the money when they need it for a very good idea that has great opportunities," but that is not the reality.

Reality is a need for an organization such as the FBDB to ensure the financing of those ideas that exist, that have a future, that have potential. The government understands there is tremendous opportunity not only in the short term but in the long term to create employment and to create a strong, dynamic, vibrant economy. That is what we have to do as a government.

We cannot stick our heads in the sand and say: "Everything is fine. We will leave it up to the big banks. We will leave it up to the financial institutions. They will take care of small business. They will do all the funding. They will fund the new opportunities in the new economies". That is not reality.

Innovation has always been the hallmark of the Federal Business Development Bank. The secret of a bank's success has been the close co–operation it has enjoyed with entrepreneurs across the country. The bank has been able to stay abreast of rapidly evolving markets and major trends such as the use of information technology. It has always sought ways to offer new services tailored to meet the increasing, complex needs of entrepreneurs.

For example, a year ago the FBDB introduced a $50 million financing program called working capital for growth. The hon. member knows that one of the problems small businesses have is getting working capital which is very important for their success and growth.

Hon. members will recall that last year, the economy was starting to gain momentum. For many businesses the new opportunities were not matched by sufficient cash flow after several years of a recession. They lacked sufficient cash to finance the opportunities that arose.

The FBDB created its working capital for growth loans that top up financing when conventional lending institutions that the hon. member said would be able to provide these do not offer sufficient lines of credit to support a company's growth.

In addition, FBDB business counsellors work with business owners to ensure that their growth plan is well managed. The maximum loan amount under this program is $100,000 and repayment schedules are flexible and tailored to individual needs.

• (1310)

Another example of innovation by the FBDB is the pilot program called patient capital where returns take a long time and where the return is not over a year or two years but a much longer time. It responds to the needs of companies that do not have the necessary financial resources to service debt during their development stages. This is a problem particularly for new companies in the knowledge based economy that may not have tangible assets to offer as security.

These knowledge based economies have incredible barriers to financing because they are difficult to assess. It is very difficult for many bank managers to look at anything but basic fixed, hard, tangible assets and assess the knowledge based assets, the engineering, design and all the software knowledge. It is so hard

to grasp the value of that and are very difficult to finance. They do not have tangible assets to offer as security and therefore financing is difficult.

The FBDB offers patient capital in quasi–equity forms of financing which provides firms with long term capital on flexible repayment terms. The repayment of patient capital can be postponed for up to three years until a company begins to generate revenues and a royalty on sales can be arranged.

The bank has been pilot testing this patient capital program in Kitchener–Waterloo in co–operation with the Royal Bank and Innovation Ontario. We hope that the test will prove successful so that the FDBD can begin to offer this service across the country. In this way the bank will help to close what the Minister of Industry has referred to as the flexibility gap, one of the four critical gaps that prevents small business from obtaining the financing they need.

The flexibility gap refers to the problems small businesses encounter when conventional lenders require a stream of payment over the term of the loan. This can be impractical, for example, for viable firms in the product development stages which are not yet generating a mature cash flow.

The FBDB has already demonstrated innovative solutions by providing quasi–equity financing approaches through long term loans with flexible repayment requirements. This is what Canada's small business communities need to obtain their capital requirements and the FBDB is leading the way.

The other four gaps that the minister described have also been addressed by the FBDB. Hon. members will recall that he spoke of the risk gap. Conventional financial institutions, to which the member would like to leave everything, are reluctant to set an interest rate for high risk, smaller term loans that would compensate them for increased risk. They tend to adopt self–imposed ceilings with respect to the rates that are charged.

This has advantages for companies that are able to secure financing. They will rarely pay more than the prime plus 2 per cent. But many companies will be willing to pay higher rates in acknowledgement of the increased risk the lender is taking.

A third structural weakness in the conventional financing requirements in Canada the minister has described as the size gap. I am sure many hon. members who have been involved in business know about this. It is a result of the overhead costs that a lender must incur in administering any loan, whether large or small. The administrative costs associated with loans are similar for the lender, whether it is a $50,000 loan or a $5 million loan. Comparing the profits that the lending institution can make by providing the two loans, there is no question that a conventional lending institution tends to serve its larger customers first.

In Canada today we can point to hundreds of examples of small customers who have grown to become big customers. The $50,000 loan of today may become the $5 million loan of tomorrow. The FBDB has been created precisely to respond to the needs of the smaller customer.

The fourth gap in lending institutions the minister has referred to is the knowledge gap. It is carefully interrelated to each of the other gaps but has a particular emphasis on what the lender understands about the nature of the new economy.

How does the lender take into account the assets that leave the building each night? I am referring to the human assets, the ingenuity, the creativity of engineers, the vision of the design teams, the basic entrepreneurial skills of the owners? In the knowledge economy these are perhaps the most valuable assets of all.

• (1315)

How can lenders assess the viability of new forms of enterprise? By what standards can they compare the economic performance of young companies in the newly emerging field of environmental technologies? For example, how can they measure the potential benefits and risks of a new software design?

Industries emerging in the new economy have trouble securing appropriate financing because they are knowledge based and may not possess assets that could be realized in the event of a default.

The team at the FBDB has made it its business to understand the needs of the new economy. Its clients have evolved with changes to Canada's industrial base. It is precisely because those gaps do exist under the present situation that we need the FBDB. That is why I am supporting this bill; to ensure small and medium size businesses that we have the infrastructure to fulfil their financial needs and create more jobs for Canadians and greater opportunity.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, my colleagues before me did a good job explaining the subject matter of Bill C–91. Therefore, I will only say that it is mainly aimed at transforming the Federal Business Development Bank, commonly known as the FBDB, into the Business Development Bank of Canada.

To create this new entity, the government is not amending the Federal Business Development Bank Act; it is introducing a new piece of legislation, Bill C–91.

I will deal with three aspects of this bill. The mandate of the FBDB, as we know it, will be extended. Consequently, the

modified FBDB will no longer be solely a financial institution geared to last resort funding. From now on, the new Business Development Bank of Canada will be able to provide complementary funding to other financial institutions.

Second, it will now be easier for the Business Development Bank of Canada to enter into agreements with public and private partners, either at the federal or provincial level, to set up financing syndicates.

Third, the bank will have financial instruments, such as shares, which will enable it to increase its capital without depending on government funds.

I will therefore focus on the disastrous consequences of this amendment on regional development. Unfortunately, it would appear that, under the guise of regional development, Bill C–91 is the new way the federal government has found to once again interfere in provincial affairs.

As in many other areas, it has not been clearly established whether regional development is a provincial or a federal responsibility. Some provinces, such as Quebec, have long demanded exclusive powers in this area. As you might expect, the federal government has always refused to recognize regional development as a strictly provincial responsibility.

At each round of constitutional negotiations, this claim was summarily rejected. However, under Quebec–Canada framework agreements the federal government had made a commitment to the Quebec government to limit its regional interventions.

• (1320)

The Economic and Regional Development Agreement for Quebec came to an end in December 1994 and the federal government refused to renew it. Clauses 20 and 21 of the bill will make the Business Development Bank of Canada more visible in the outlying regions since it will have the authority to sign agreements directly with other federal departments, regional agencies like the conseils régionaux de développement, and, eventually, with the corporations de développement économique and even with individuals.

If the bank can deal directly with local stakeholders, it could have a negative impact on provincial strategic plans since it could induce the CRDs to model their priorities on Ottawa in order to get money. Therefore, the bill disregards the joint efforts made by the provincial governments and the local business community. Once again the federal government comes trampling in, saying: "Make way, here we come with our spending power!"

Let me remind you that this famous spending power has given the federal government a debt which now stands at $550 billion. Let me remind you also that this $550 billion debt has been accumulated largely, if not totally, over the last 25 years. And except for a period of nine years, who were the leaders of this country during those last 25 years? We all know that the Liberal Party of Canada was in office during those years. That is what spending power gives us. They meddle in everything and often spend ill–advisedly. Just look at the facts. In the present case, a simple name change will cost Canadian taxpayers millions.

Mr. Nunez: It is a disgrace.

Mr. Chrétien (Frontenac): This is indeed a disgrace. What is even more regrettable is that the federal will, once more, impose the same medicine to all the regions of Canada. Well–meaning civil servants will decide, from Ottawa, what is good for the regions and other civil servants, also well–meaning, will apply the decisions made in Ottawa.

Decentralization is presented as the way of the future but Bill C–91 shows that the federal government has no use for regionalization. The Government of Quebec is trying to decentralize certain powers and give regions the money they need to exercise them. Bill C–91 goes blindly in the opposite direction. At a time of cuts, when money is getting scarce, with Bill C–91 the federal government is opting for a less cost effective solution simply because it will get increased visibility. This is very sad for taxpayers.

The federal government would rather withdraw from social programs and use taxpayers' money to intrude needlessly on Quebec structures designed to deal with small and medium size businesses. These political choices are not made in the interests of regions but rather in the interests of the federal government. Therefore, I will oppose Bill C–91 because I respect the work done by the Government of Quebec and by regional stakeholders, and because I also respect the choices they have made. Using these means to foster the popularity of the federal government among the people cannot be justified.

• (1325)

I could mention all the duplications that are already costing taxpayers so much because they always end up paying the bill through their municipal, school, provincial and federal taxes. Let us take for example manpower training. It should come under provincial jurisdiction. Yet, because of this duplication, the federal government spent needlessly, in Quebec alone, $265 million in administrative costs. We are literally stepping on each others toes.

I have no objection to the federal government meddling in provincial affairs. It can show off its spending power all it wants. But it should start by paying its own debts. We had to fight, in this House, to obtain that the federal government pay its share of the 1992 referendum, a promise made by the previous Prime Minister that the present Prime Minister wanted to renege on.

The native crisis in Quebec cost hundreds of millions of dollars and we are still negotiating the federal government's

share. Therefore, Mr. Speaker, rest assured that the Bloc Quebecois will oppose this bill that we consider totally useless.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I was very interested in the comments of the hon. member for Vancouver South in response to the speech of my colleague from Edmonton Southwest. He said the Liberals feel we have to have a financial infrastructure to create a strong, vibrant and dynamic economy. That is exactly the problem with Canada at this point. The Liberals today feel the way they have felt for the last 25 years, that if the government does not do it then probably it will not happen.

The Liberals consistently are coming forward with legislation like this which will interfere even further in the affairs of ordinary Canadians in its own small insidious way.

I will speak about this issue from the point of view of what I call coffee shop common sense. There is a real vacuum of talk in the Chamber which comes from the common sense that we hear from Canadians as they gather in coffee shops, in their living rooms or around their kitchen tables at home. There is very little talk using the ordinary English or French used there. We always seem to end up hearing speeches from people using wonderful 75 cent words to describe dead end situations.

I suggest to my friend from Vancouver South that the Liberals, when using this act along with other acts to create a financial infrastructure, to create a strong, vibrant, dynamic economy, might do well to take a look at what capital is and where capital comes from.

As far as the Liberals are concerned, and many people of that thought process, the idea of taxation is to gather in the capital so it can be redistributed as the people who supposedly know best think it should be.

I believe, as do many people in my constituency, the big banks are failing small business. There may be a good intention on the part of the big banks, and certainly they do a lot of advertising and window dressing, but the biggest single problem is there is no real competition in the banking industry as it presently sits. I would be in favour of our looking at creating a situation, not as set out in Bill C–91, but a situation in legislation that would create some real competition between banks so that we could have a pool of capital.

• (1330)

We know the big banks are asking to get into non–traditional banking services. Of course they have gone into brokerage and now they are asking to break into insurance. They are looking at the fact that although they have countless billions of dollars flowing through their coffers on a day by day basis, nonetheless they can extract only a very small percentage of those dollars. They are therefore looking to insurance, to brokerage. I do not know what is going to come next.

The difficulty is that the banks are not in a situation where there is real competition so that they have to go out and gain the business. I say this on the basis of what I call coffee shop common sense. If I were to walk down Baker Street in my hometown of Cranbrook, or a street in Invermere, Fernie, Creston, Golden, or any of the towns in my constituency, and walk into a coffee shop and sit down with the local business people and ask what the real problem was that they were having, almost invariably they would tell me that the real problem they are having is in getting a sufficient amount of working capital. They are constantly constrained in the area of capital.

This government should really be looking at, and perhaps it can be looked at under Bill C–91 in committee, the creation of an independent investment pool of real dollars. These would not be dollars that are extracted from business by way of a tax grab, not dollars that are extracted from individuals by way of a tax grab, not money lost under regulation harassment that businesses are under these days, but real dollars that people would put into an investment pool.

Let us look at why businesses are having difficulty maintaining a capital base. They pay school tax and municipal tax. In many cases they pay water, sewer and garbage collection tax and provincial taxes. In my home province of British Columbia if a person has the audacity to have too much money, and it can be borrowed money invested in equipment in a business, that person will be taxed on the money that is invested in the items that are actually generating the profits in the first place. There is federal income tax.

There is the GST compliance costs, which of course we should talk very briefly about as a side bar issue. This government came to Parliament telling Canadians it was going to be doing away with GST and has done nothing. Anyway, there is the GST compliance costs and regulation harassment. There are good reasons for having municipal, provincial and federal regulations, but in many cases the application of those regulations for businesses becomes a harassment.

Why do many businesses have a problem keeping dollars in the business? Let us look at the list. The dollars go out to school tax, municipal tax, water, sewer, garbage, provincial tax, federal income tax, GST compliance costs and all of those things. It is no wonder that small business is having a difficult time retaining capital. There is a tax grab by all levels of government as they scrounge to find more dollars rather than doing the obvious which is to cut down on the expenditures.

This bill is going to committee. It is excellent that this bill has come to the House and under an agreement between the government and the opposition parties will be going into committee. There is the opportunity in committee for my very competent and capable Reform Party colleagues to bring some coffee shop common sense to that committee in order to move forward in an active and proactive way to make something of this bill which quite frankly I find to be a little questionable at this time. They

could bring it forward with the provision that there is no attempt on the part of the industry committee to repeat the shenanigans of the human resources and development committee. This process has the opportunity to be open, constructive and positive. I encourage all members who will be working on that committee to be sure that process is capable of happening.

• (1335)

I say again, the Liberals have the idea that if it is worthwhile doing then surely the government has to do it. The Reform Party believes that the government should get out of the lives, get out of the faces, get out of the pocketbooks of ordinary citizens and ordinary businesses and let them get on with doing what they do best, which is to make profits, to reinvest them and to get this country going.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I want to talk today to Bill C–91, an Act to continue the Federal Business Development Bank under the name Business Development Bank of Canada, that was tabled on May 15 by the Minister of Industry. According to its drafters, over and above changing its name, the bill aims at streamlining the bank and modernizing its operations.

As we all know, the role of the Federal Business Development Bank is to promote and support companies which are starting up or at any other stage of development. It was created in 1944 under the name Industrial Development Bank. In 1974, it was incorporated under its current name as a crown corporation in accordance with a law passed by Parliament.

The Federal Business Development Bank offers three types of services to companies: financial services, venture capital financing and management consulting services, including consulting, planning and information.

This bill broadens the bank's mandate so that it will not only be a financial institution responsible for last resort financing. It will also, from now on, be authorized to offer complementary financing to other financial institutions and to set up subsidiaries.

Moreover, clause 21 of the bill allows the Minister of Industry to use the bank to promote entrepreneurship in Canada. Clause 20 gives more leeway to the bank to negotiate agreements with other federal departments and provincial and local agencies in carrying out its specific mandate and any other mandate that the minister could assign to it under clause 21.

My first criticism is that I do not see the need to change the bank's name. We are only wasting taxpayers' money.

However, the most important flaw of this bill is without a doubt the fact that the federal government is going to interfere even more in regional development throughout Canada. In Quebec alone, it intervenes through the Federal Office of Regional Development which implements all of the federal programs. The mandate of this office is to create a dialogue between federal stakeholders in Quebec. This office has already established contacts with these consultation structures in Quebec and even wants to sit at the consultation table for Montreal.

Bill C–91 constitutes another centralizing offensive from the federal government resulting in costly and needless overlaps.

• (1340)

This bill completely negates the role of provincial governments regarding support to small business. This goes against the declarations of the Liberal government which said it wants to eliminate overlapping and duplication with provinces.

Clause 20 of the bill allows the Federal Business Development Bank to enter directly into agreements with a person or agency, which means it will be able to sign agreements with regional development councils among others.

However the Quebec act respecting the Ministère du Conseil exécutif du Québec prohibits provincial agencies from entering into agreements with the federal government without the minister's authorization. Once more the federal government dismisses the responsibilities of the Government of Quebec and its very existence by giving itself the power to act without consulting provinces.

In the area of regional development the centralizing offensive of the Chrétien government goes directly against Quebec's regionalization policy. The federal government has always refused to recognize regional development as an exclusive provincial jurisdiction. The government dismissed this claim in all constitutional negotiations. Yet, the federal government had promised Quebec it would limit its action in regions under general agreements between Canada and Quebec. However, the regional economic development agreement expired in december 1994 and the federal government has refused to renew it.

Federal intervention in regional development is becoming scattered, without consultation with the Quebec government. It is competing with Quebec programs while trying to increase the federal government's visibility in the outlying regions and is using the Federal Office of Regional Development to establish Canadian standards in various departments.

What I find really shocking is that the federal government is financially getting out of social programs and using taxpayers' money to unnecessarily overlap Quebec structures that are dealing with small and medium size businesses. On the other hand, it refuses to get out of manpower training, as was asked by the Quebec government, labour and employer organizations, as well as by economic and social sectors in general.

In my riding of Bourassa, where there are numerous very small businesses, the Federal Business Development Bank has been involved with several projects that have created or maintained jobs. However, some business people tell me that this institution is taking too long to examine and respond to their requests or is asking for too many guarantees.

This institution should also be providing more consulting services and in particular, more consulting and training services to students who wish to operate small businesses during the summer. The government is already giving it grants large enough to allow it to carry out that part of its mandate. I hope that the FBDB will always be different from other financial institutions in that it will not try to maximize its profits, but only to recover its costs.

The Bloc Quebecois does not want the FBDB to compete with other development tools available to Quebecers, such as the Fonds de solidarité de la FTQ and the caisses populaires. Also, we would like it to have the means to support Quebec businesses.

I would like to take this opportunity to highlight the accomplishments of the FTQ's Fonds de solidarité over its ten year existence. I took part in the last annual meeting, during which the fund's 10th anniversary was celebrated. This fund has invested in, and helped, hundreds of businesses and has created or saved over 25,000 jobs in Quebec. I would like to pay tribute to its leaders, Louis Laberge, Fernand Daoust and Claude Blanchet. I would not like to see the Federal Business Development Bank duplicate the exceptional work already being done by the Fonds de solidarité.

The potential impact of Bill C–91 on the bank's role as an instrument of economic development is very worrisome.

• (1345)

Firstly, the bank is no longer restricted to its role of a last resort lender and will be able to offer complementary financing. The danger lies in the fact that the bank is moving away from its mandate of last resort financing and more towards complementary financing.

The bill must clearly stipulate that the bank's primary role is to offer last resort financing. Clause 21 gives the minister the discretion to involve the bank in initiatives which have nothing to do with its primary activity. Such a measure is unacceptable, because it could prevent the bank from concentrating on what it does best, which is providing last resort financing.

Clause 36 of the bill restricts access to information regarding the bank's clients. This practice is normal for a financial institution. It would be useful, however, to add a provision stipulating that Parliament could access this information for a parliamentary inquiry.

Like the other Bloc Quebecois members who preceded me, I would like to state that I do not support this bill.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is a pleasure to speak to Bill C–91, the motion to refer the bill to committee prior to second reading.

I know other members before me including my colleagues the member for Edmonton Southwest, the member for Okanagan Centre and the member for Kootenay East have spoken to the contents of the bill and what they hope to accomplish in committee, the weaknesses and strengths of the bill regarding the Federal Business Development Bank.

I will take a slightly different attack. This motion refers the bill to committee prior to second reading. As members know, this is a new process which has just been implemented in this 35th Parliament. We are doing some experimentation with regard to how we pass legislation.

The Reform Party agreed with the procedure of sending bills to committee prior to second reading because the Liberals had promised that under this new process there would be ample time for substantive amendments to be debated and discussed in committee before the bill was approved in principle as it is during second reading debate.

I will read what the standing orders say with regard to referring bills to committee prior to second reading. Bill C–91 falls into this category. Standing Order 73(1):

> Immediately after the reading of the order of the day for the second reading of any public bill, a minister of the crown may, after notifying representatives of the opposition parties, propose a motion that the said bill be forthwith referred to a standing, special or legislative committee. The Speaker shall immediately propose the question to the House and proceedings thereon shall be subject to the following conditions:

In the case of Bill C–91 these requirements were followed. The minister did make a request that the bill go to committee prior to second reading and there had been consultation with the other parties.

Standing Order 73(1)(b) says: "the motion shall not be subject to any amendment".

That means as we debate this motion today we cannot implement any amendments. I can understand that because we are not dealing with the substance of the bill. We are dealing the

procedural matter, whether the bill should go to committee prior to second reading. The standing orders preclude any amendments to this motion.

Standing Order 73(1)(c) states no member may speak more than once nor longer than ten minutes. Standing Order 73(1)(d) states that after not more than 180 minutes of debate, three hours, the Speaker shall interrupt the debate and the question shall be put and decided without further debate.

We are not having a second reading debate right now. We are debating a motion to refer Bill C–91 to the Standing Committee on Industry. The committee will be challenged with the task of reviewing the bill, listening to witnesses, proposing amendments and having a vigorous debate on the value of Bill C–91; whether it is a strong and good piece of legislation, whether it needs to be substantially changed or whether it should be defeated. I am sure when the bill goes to committee these issues will be looked at.

• (1350)

I am really concerned about whether we can take the government at face value when it says it will permit open and complete debate in committee prior to second reading. When we agree to this process we forego debate at second reading.

We are not really having a full blown debate right now because we are limited to 180 minutes. We cannot make amendments because we are dealing with a motion, not with the bill. It is critical that if we also lose our second reading debate we have a committee that functions well, is open to amendments, takes time to consider the bill and will not rush the bill through committee stage without proper analysis, without enough witnesses being called and without time taken at the clause by clause review of the bill.

I am concerned, not because of Bill C–91 and the industry committee, but about what happened in the human rights and disabled persons committee which also received a bill through this process. The member for Kingston and the Islands said that bill was before the committee for five months. Let me tell the House what the committee did for five months.

I think members of the committee allowed only four witnesses Reform suggested to appear before the committee. All others were government witnesses. That does not sound like a very open process. Maybe the Bloc had a few, I am not sure. Certainly the appearance of witnesses before the committee was restricted. That does not sound like the spirit of Standing Order 73. It certainly does not fall under the spirit of the red book. We are having some real problems with the credibility of the red book in light of all the broken promises we see amassing at a rapid pace. Almost on a daily basis we see new broken promises.

The bill came before the committee and it refused to hear our witnesses. We were let to sit a simmer for a long time. Suddenly it was time for clause by clause debate. Our members brought forward amendments, some prior to the clause by clause debate and some on the day of the clause by clause debate. These amendments were refused contrary to Standing Order 62 because the chairman said they were only submitted in one official language. I hope that does not happen with Bill C–91.

I understand the industry committee functions a little better than the human rights committee. It almost sounds like an oxymoron to use the term human rights when we are talking about the actions which transpired in the committee the other day.

The chairman ruled contrary to Standing Order 62 and refused to even consider debating amendments put forward by my Reform colleagues. Initially the committee refused to accept amendments from the floor, saying they had to be submitted ahead of time. It is contrary to the rules and spirit of the motion to submit these bills to committee prior to second reading.

There were some other problems. Suddenly a motion was passed limiting debate per clause to five minutes. I hope this does not happen with Bill C–91 because this makes a sham of the committee process. That five minutes included reading the clause; some clauses were a whole page, some clauses were difficult to complete in the time limit. After reading a clause all three parties had far less than five minutes to comment on each clause. That is not meaningful debate. It is not in the spirit of Standing Order 73. It is not why Reform supported this change to the committee process.

I trust this will not happen with Bill C–91. If this reoccurs it will indicate the government did not bring the changes to the standing orders forward in good faith. It was using this as a mechanism whereby the debate on bills could be shortened, particularly on contentious bills such as C–64, and therefore prevent the House from dealing with the bill at a second reading debate. This is a very serious matter and why I bring it to the attention of the House.

• (1355)

Furthermore, in the committee the chairman refused to hear points of order. I know, Mr. Speaker, you have never in the Chamber refused to hear points of order; neither have the Deputy Speaker nor any of the acting speakers. The standing orders indicate points of order must be heard. The chairman in the human rights committee refused to hear points of order, again a breach of the standing orders and the common procedures we follow in the House.

Therefore I hope Bill C–91 when it goes to committee prior to second reading will not face this type of abusive procedure on the part of the chair of the committee. I am sure it will not because I understand that committee works quite a bit more co–operatively.

In this committee the chair, if challenged on a point of order, said: "Do I have the agreement of the committee to proceed? Is my ruling sustained?" The Liberal members would jump up and say "sustained", and there was no debate on the issue.

The debate on the Federal Business Development Bank is important. It could be equally as important as the debate on employment equity, although the employment equity bill is certainly a more emotional issue. However, all bills are important. If they are brought to the House we expect them to be dealt with in a serious manner. We expect the rules of the House and the rules as they apply to committees to be followed.

I implore the government to review whether it is really open to honest debate in committee prior to second reading. When we use Standing Order 73 and refer bills to committee prior to a second reading debate, I challenge the government never again to implement draconian measures which would restrict debate on a particular clause to five minutes or less. That cannot happen. That takes away all credibility from the legislative process. It is demeaning to members of Parliament and, most important, it is absolutely wrong.

We will in good faith agree to send the bill to committee prior to second reading. I expect the discussion will be of a far higher quality than was the case in the human rights committee. Not only would I expect it, I think the House should demand it. Members of Parliament deserve to be heard and deserve to have their positions adequately expressed so there can be a vote taken after full and free debate. I recommend that for Bill C–91.

[*Translation*]

The Speaker: My colleague for Abitibi will have the floor immediately after Question Period.

It being 2 o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS BY MEMBERS

[*English*]

EMERGENCY PERSONNEL

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I have grave concerns respecting the current status of infectious disease notification in Canada. Without regard for their personal safety firefighters, police and ambulance workers routinely provide emergency medical treatment in unsanitary field conditions on patients they know nothing about. As a consequence they can be exposed to an increasing variety of dangerous, contagious and sometimes deadly diseases.

Is it asking too much that these brave men and women be entitled to notification about possible exposure to an infectious disease? Is it asking too much that our emergency response personnel themselves be given the right to early treatment? Is it asking too much that their family, friends and literally everyone they come into contact with be protected from further transmission?

The answer is obvious. I implore the government through Health Canada to set the standard for uniform notification protocols in conjunction with those provinces that have endorsed national guidelines. The confidentiality of patients can and will be protected. The health of our emergency response personnel can and must be protected.

Canadians are entitled to nothing less.

* * *

[*Translation*]

JACQUES VILLENEUVE

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, racing driver Jacques Villeneuve won a brilliant victory at the 79th Indianapolis 500 on the weekend.

Overcoming a two lap penalty, Jacques Villeneuve made up his time, caught and then passed all the other drivers, moved into the lead, and stayed there to the finish.

This was the twenty–four year old driver's second time only at this American racecourse and his first victory. Quebecers will remember his father, Gilles, a Formula 1 driver and his brilliant victory at the Montreal Grand Prix. They will also remember with sadness his tragic death in 1982, during race trials in Belgium.

Quebecers will now be keen to follow the exploits of Jacques Villeneuve who, this weekend, reached the first milestone in a motor racing career that we hope will be long and happy.

* * *

[*English*]

IMMIGRATION

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the Minister of Immigration says he is going to fix the refugee system, so let us look at a typical case.

I have the selection criteria he has laid out for fast–tracking refugees into Canada from Colombia. These are the people the Liberals say are at risk in Colombia: the police, military, judiciary, peace and human rights activists, political activists, former guerrillas, union leaders, peasants thought to be guerrillas or having perceived political affiliation, women, homeless youth perceived to be involved in criminal activities, journalists covering political or criminal issues, homosexuals, deserters from criminal organizations, members of wealthy families and prostitutes.

Tell us dumb Canadians, Mr. Minister, will there be anyone else in Colombia after you have opened the floodgates, or should Canadians apply for immigration to Colombia? By the way did the Liberals not leave Juan Valdez, the coffee man, off their list?

* * *

CHILD ABDUCTION

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, child abduction is a serious problem in Canada. Each year thousands of our precious young loved ones are reported missing. They are either lost, runaways, or have been abducted by parents or strangers.

Child Find Canada gives us hope in recovering our cherished children and preventing the disappearance of many others.

The month of May has been designated the Green Ribbon of Hope Campaign to stimulate awareness across Canada about the serious nature of child abduction.

On May 25 National Missing Children's Day acted as a reminder of the children who remain missing and the work that still needs to be done.

[*Translation*]

Our children are important for the future. We must protect them. The Missing Children's Network is vital in safeguarding our children. However, the responsibility for finding children and protecting them rests with the community as a whole. Let us take our children to heart.

* * *

[*English*]

NATIONAL ACCESS AWARENESS WEEK

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, National Access Awareness Week, which begins today, is about learning, be it academic, vocational, or on the job training.

Halls of learning and new technologies that facilitate the learning process should be accessible to persons with disabilities. Technology, remember, enabled physicist Stephen Hawking, despite his disabilities, to share his brilliant scientific insights with all mankind.

Technology has allowed many Canadians with disabilities to share their special talents, one of whom is recognized annually with the Centennial Flame research award of Parliament.

All Canadians benefit when citizens with disabilities are integrated fully in our homes, schools, workplaces, and in sports. This special week reminds us of our national dream for our citizens with disabilities and of our will to realize this dream.

I am pleased this government has heightened its resolve to tear down the barriers that limit participation and to supply the tools that facilitate integration.

* * *

READER'S DIGEST LEADERSHIP IN EDUCATION AWARD

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, it gives me great pleasure today to rise on behalf of the District of Nipissing to congratulate Sunset Park public school principal Rick Ferron and vice–principal John Stephens for being named winners of the 1995 national Reader's Digest leadership in education award.

These gentlemen were selected from 197 nationwide nominations for their efforts in creating a living community where outside social agencies come into the school to counsel at risk students and their families in a warm, nurturing setting. Their approach is based on the old African proverb that "it takes a village to raise a child".

Each gentleman will receive a $5,000 award and the school will receive $10,000. This foundation award, initiated in 1989, is considered one of the top prizes from a non–educational or non–government body.

As word of the Sunset Park initiative spread, some of the province's top education researchers jumped in to support it and have held it up as a model for the rest of the country.

* * *

[*Translation*]

PEACEKEEPERS

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, more than 370 UN peacekeepers and military observers have been taken hostage or are surrounded by Bosnian Serbs. Seventeen of them are literally being used as human shields.

• (1405)

We would like to express our deep concern for the Quebec and Canadian peacekeepers who are among the hostages and we wish to express our profound empathy with their families in this time of anguish and fear for them.

Of the 2,100 members of the Canadian military currently deployed in the former Yugoslavia, ten have been taken hostage. Eight of these ten are Quebecers, who are members of the third battalion of the Royal 22nd Regiment from Valcartier. Forty–five other members of the armed forces are confined to their observation post.

We all hope that the current negotiations will quickly lead to their release.

[*English*]

INTEGRITY IN POLITICS

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, during the election campaign the Liberals emphasized strongly the issue of integrity. They claimed the Conservatives had callously broken election promises and destroyed public confidence in politicians. The Liberals promised to be different, but they were not. During the coming months you will see just how many promises they have broken. Reformers will parade them before you.

Reformers are happy the Liberals adopted so many Reform policies, but Canadians are rightly disappointed with the Liberals' broken promises. They are asking if the broken promises are a sign of Liberal incompetence or a sign of total disrespect for the intelligence of Canadian voters.

* * *

CRTC

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, last November the Minister of Industry assured this House that the appointment of a panel to review the CRTC's decision on direct to home satellite services was "in no way an overruling or the setting aside of the CRTC decision with respect to the exemption order that was issued. That order stands."

Now the government is changing that order. The government should not hold things up by retroactively changing CRTC decisions and creating new hurdles. Already we have a large grey market. Many Canadian homes are pulling in U.S. signals without any Canadian content regulations and sending money across the border.

We welcome Canadian competition. We urge more competition and the public wants more competition. However, further delaying the entrance of regulated D to H services will make it more difficult to reintegrate grey market users into Canadian regulated services.

Fairness to the public and program producers would—

The Speaker: The hon. member for Ottawa West.

* * *

FAMILY VIOLENCE

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, for two children in my community the opportunity to learn, to play, to grow, and to love will never come again.

Last Friday, 10–year old Wilson and 8-year old Margret Kasonde were shot to death in their father's west end apartment. I can think of no greater horror for a family to face than the one their mother and little brother now face. Our hearts go out to them as they try to survive this terrible tragedy.

The children's school and others in the neighbourhood are seeking to reassure hundreds of children who have lost their sense of security and innocence with this tragic event. The pain of these two deaths permeates the whole community.

Tonight the people of Carlington will hold a candle light vigil in memory of Wilson and Margret and to declare their determination to end violence that destroys so many lives and to control the instruments of violence that can kill so quickly and so finally. I ask us all to join them in that determination.

* * *

INDIANAPOLIS 500

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, it is with great pride that I also take this opportunity to congratulate Jacques Villeneuve on overcoming a two lap penalty to win the race and that coveted purse at the Indianapolis 500 over the weekend. At age 24, he is the youngest Indy driver in history to earn $1 million U.S. and the first Canadian to be victorious at the distinguished race.

[*Translation*]

Jacques Villeneuve has obviously inherited the courage, intrepidity and skill of his father, the famous Formula One racer Gilles Villeneuve. He already demonstrated in competition last year that he had a glorious future ahead of him.

I join all Canadians and Quebecers in congratulating him on this great first Canadian victory in a world class race.

* * *

[*English*]

ONTARIO ELECTION

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, Ontario Conservative leader Mike "just call me common sense" Harris says if elected he would offer $4 billion in tax cuts, $3.9 billion in spending cuts, and a balanced budget in three to five years. Imagine that.

• (1410)

Despite his slash and burn approach, Mr. Harris claims that he can gut provincial programs without damaging the delivery of essential services such as health and education. Furthermore, by forcing the needy to work for welfare the Ontario Tories are typically trying to carry out those massive spending cuts, as usual, on the backs of the most vulnerable people in our society. I wonder if Mr. Harris thinks a single parent struggling to survive with children while conducting a job search has the time and the energy to work for welfare.

Mr. Harris's numbers just do not add up. I am sure that on June 8 the people of Ontario will realize that what he is proposing is actually a nonsense revolution.

* * *

[*Translation*]

POVERTY

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, hundreds of Quebec women are marching on Quebec City to draw attention to poverty, which is rampant in our society, particularly among women. These women left Montreal, Longueuil and Rivière-du-Loup to reach Quebec City on June 4, when 10,000 women will hold a protest rally.

One of their nine main demands is that the Quebec government substantially increase the minimum wage so that lower paid workers can break out of poverty. This is an exceptional show of solidarity that is worth mentioning and supporting.

On behalf of the Bloc Quebecois, I wish to commend these women, and particularly Françoise David, president of the Fédération des femmes du Québec, who had the idea for this march and organized it.

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[*English*]

REFORM PARTY OF CANADA

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, on May 29, 1987, a group of concerned Canadians made a decision that in a few short years would change the course of Canadian history. On that day delegates from the four western provinces gathered in Vancouver to discuss Canada's economic and political future. Most of these people had never met before, but they were united by their desire to build a better Canada and by a common belief that our political system was in need of urgent and fundamental change.

After much debate, this assembly made an historic decision by resolving to launch the Reform Party of Canada and thereby revitalize Canadian politics. On the anniversary of this event, I salute the visionary women and men whose courage eight years ago provided hope to Canadians that we could build a more prosperous and more democratic Canada for ourselves and our children.

* * *

BOSNIA

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, in Bosnia our peacekeepers and those of our close allies are being used as human shields by those who have no respect for humanity and no allegiance to international law.

At a time when the entire United Nations system is being put through a severe test, it is important that we remember Edmund Burke's words: "All that is essential for the triumph of evil is that good men do nothing".

As of this moment, when many Canadians are going through a trauma in the former Yugoslavia, it must serve to remind all Canadians of the necessity to fully support and understand what our Canadian forces personnel may well face on any day while serving their country and while serving humanitarian principles at the international level.

Our hearts go out to those soldiers and our support and thoughts must be with their families. We must change and improve the United Nations operations to deal with a vicious and unpredictable world.

* * *

[*Translation*]

PARTI QUEBECOIS

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, if we are to believe what the leader of the Parti Quebecois said at his party's general assembly over the weekend, the PQ is grappling with a communications problem. The PQ Premier tried to explain his party's decline in popularity among the electorate by saying that his government is better at taking action than at communicating.

By its lack of conviction, this remark is surprisingly reminiscent of the moral victories the PQ used to claim in the old days. The PQ Premier need not look very far for the reason why his government's popularity is dwindling. The people of Quebec do not want to separate and they are sick and tired of seeing their government waste time and money on trying to come up with one question after another.

* * *

• (1415)

[*English*]

GOODS AND SERVICES TAX

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise today to question the statement of an hon. member who promised voters that she would resign if the GST was not killed within a year of the Liberals taking office. It has been almost two years now since the election and the Deputy Prime Minister and her cabinet colleagues have failed to follow through on their commitment to kill the dreaded GST.

Reformers believe that a promise is a promise and the time has come for the hon. minister to do the honourable thing, own up to her promise and resign. After she demonstrates that kind of honesty in politics I have no doubt in my mind that the Deputy Prime Minister will have little trouble establishing herself in the private sector. I am sure that the severance package and the $2

million pension plan will help her through that difficult transition to private life.

It would be truly encouraging to see a member of the government fulfil a promise. We in the Reform Party would be so overwhelmed with that display of integrity that we would volunteer to throw the Deputy Prime Minister's retirement party ourselves.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, last Thursday, in retaliation against the UN air strikes, the Bosnian Serbs bombed civilian populations, in Tuzla in particular, and took some 370 peacekeepers hostage, including 10 Canadians. The Serb forces went so far as to keep some peacekeepers chained to ammunition depots to be used as human shields against further raids by NATO.

My question is for the Prime Minister. What concrete measures does the government intend to take to free the 10 Canadian peacekeepers being held hostage by the Bosnian Serbs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first of all, I would like to state that the Canadian population is appalled by the events mentioned by the Leader of the Opposition. As you know, all the troops engaged in the humanitarian work that needs to be done in that troubled part of the world are doing an exceptional job, and I would like to take this opportunity to tell the soldiers posted over there and their families that the government and Canadians are very concerned, and that we will make every effort to support them.

We are currently in contact with most of the 10 Canadian hostages. As members know, the same thing happened last year, and we managed to have the hostages released after two weeks. The current situation is no worse than last year's. We are now making arrangements to talk with the Serbs. We may be in a slightly better situation than the French or the British, because our soldiers, those who were seized are only a few kilometres away from the base at Visoko. We hope that, once the situation calms down, our soldiers will be able to return to their base, and to safety.

In the meantime, we spent the weekend in contact with our allies who have troops over there to try, through diplomatic means, to bring things back to normal in that very complex part of the world. I spoke with the British Prime Minister, the French President and the Secretary General of the United Nations over the weekend. In particular, we want to change the troops'

mandate because of the imbalance between the resources at their disposal and the positions they must take. The mandate must be redefined to make it difficult for any one of the warring factions over there, especially the Serbs, to engage in such hostage takings.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, if this can be any encouragement to our fellow citizens being held hostage, they should know that they have the support and sympathy of all Canadians and Quebecers.

Some hon. members: Hear, hear.

Mr. Bouchard: As he just reminded us, the Prime Minister consulted with his French and British counterparts and with the Secretary General of the UN, Boutros Boutros–Ghali, over the weekend. In the light of those discussions, can he tell us what position his Minister of Foreign Affairs will defend at the NATO meeting tomorrow with respect to the peacekeepers' mandate and the safety of our fellow Canadians?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, tomorrow, the Minister of Foreign Affairs will meet with his NATO colleagues and defend Canada's position that the time has come for the United Nations to redefine the peacekeepers' mandate.

• (1420)

As I said earlier, the work to be done by our troops and the resources available to them must be reviewed so that small groups of peacekeepers are not as exposed as they are at present.

Through our ambassador to the United Nations, we outlined our position. I spoke with Secretary General Boutros Boutros–Ghali yesterday to express Canada's views before he submits a new plan to the Security Council tomorrow. This position will be defended by the Minister of Foreign Affairs at the meeting of NATO foreign affairs ministers tomorrow.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I understand that the government is surrounded by advisers, that the Prime Minister and his Minister of Foreign Affairs have the opportunity to talk with their counterparts in other countries, that they are well informed, and so on, but very complex questions are being raised.

Many people in Canada and Quebec are asking themselves whether we should keep sending troops over there, whether changes should be made to the peacekeepers' current mandate, and if so, what those changes should be. Will they continue to stand helplessly by and fall victim to the events? If we maintain a military presence over there, why, and on what conditions, will we do so?

In other words, Parliament must be consulted on this. In this context, can the Prime Minister tell us whether he will approve the opposition's request that an emergency debate be held today

on the safety of the peacekeepers in Bosnia and the mandate of UN forces?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the House had the opportunity to debate our presence over there on three occasions—and I am very glad that it did.

I do not know the status of the discussions between the opposition parties and the government. Tomorrow is an opposition day and would be a very good opportunity to raise this issue. There would be more time available, instead of holding a debate late tonight.

I think that tomorrow's opposition day is reserved for the third party, and I hope they will use the opportunity to debate this issue. I know that the British Parliament will debate its position on Wednesday. I would welcome a debate in this House tomorrow.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, first of all, I would like to remind the Prime Minister that it is important that the debate be held today since the meeting is to take place tomorrow morning. If we want the debate to be relevant, it must be held today.

Some hon. members: Hear, hear.

Mr. Jacob: My question is for the Prime Minister. In the context of the mandate, the French Prime Minister set certain conditions on maintaining troops in the former Yugoslavia. First, that UN soldiers be regrouped in order to minimize the likehood of further hostage takings; second, that those soldiers be provided with heavy artillery and given permission to use it; and, third, that a standing response force under UN and NATO control be set up.

Can the Prime Minister tell us if he agrees with the French Prime Minister on redefining the mandate, which he just mentioned, for UN soldiers in the former Yugoslavia along these lines?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is exactly what we are discussing with the UN Secretary General.

In my answer to the Leader of the Opposition, I indicated that it was important to redefine the role of our soldiers and to ensure that they are not exposed, as they are right now, several kilometres from their base, in small numbers and completely on their own; we have been adamant on this. As for the right to attack or take firmer defensive actions, they have the power to do so, but right now, the engagement rules need to be reviewed.

As far as setting up a standing response force, I would like to know exactly what they mean. In our view, we are there to maintain peace, not to start a war with parties which are already fighting with one another.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, by his answer, the Prime Minister has shown once again that we should have a debate today, and not wait until tomorrow.

This morning, the Minister of Foreign Affairs said that Canada intended to step up its diplomatic efforts and that a military approach would be a disaster.

Are we to understand from this statement that the Canadian government is opposed not only to redefining the mandate of the UN troops, as proposed by France, but also to any new air strikes?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are not against any new air strikes. Last week we said that we thought, and this was echoed by the French and the British Prime Ministers, that the air strikes had probably not been planned as well as they could have been.

Had we been given earlier notice, we could have taken the necessary steps to protect our soldiers. I raised this issue with the UN Secretary General who, to a certain extent, recognized the validity of my argument. I was pleased to hear the new French Prime Minister express the same point of view, yesterday, on French television.

A review of the situation is needed, but we cannot say that there will never be other air strikes because that would mean that, if we were attacked, we would not defend ourselves.

[*English*]

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, Canadians are rightly outraged that our soldiers are being held hostage and their lives endangered. The government has failed our peacekeepers and has failed Canadians. It renewed our mandate in Bosnia without any criteria for evaluating the mission.

The facts are plain. The warring factions continue to target UN troops. Ceasefires are not respected. Humanitarian efforts are impossible and there is no peace to keep. The government knew this in October, it knew this in March and it knows it know. Will the government commit itself to the withdrawal of Canadian troops as soon as possible?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would say to the hon. member that at this moment when Canadian soldiers have been kidnapped it is not the time for the Canadian government to run for cover and be subjected to blackmail.

We are there to play a useful role. Thousands and thousands of lives have been saved because our troops are there. The Canadian troops are among the best, if not the best. I would like to tell our soldiers that we support them. When they went there they knew they were not going to a picnic. I am grateful to the Leader of the Opposition who said that we are backing the Canadian troops.

We have had similar incidents before and there will probably be more. In the meantime we are saving thousands of lives there, making sure that medication and food gets to the population.

The Canadian people are proud of this role and the Canadian people are backing the troops who at the moment are in difficulty.

Some hon. members: Hear, hear.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, no one is questioning the calibre and the jobs our peacekeepers have done.

The Liberal red book promised that Canada would no longer be a foreign policy camp follower. In Bosnia however, we have become a camp follower to all of NATO and to a contact group with limited involvement in the conflict. Germany for example, does not have one single soldier on the ground, yet has more voice than Canada. Our soldiers are being chained to posts outside ammunition dumps. Why is the government being diplomatically correct in letting the governments of France and Britain make our decisions for what we do in Bosnia?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are not part of the contact group. As I said before, 25 countries are there, some with more troops than Canada in Bosnia, and they are not part of the—

Mr. Mills (Red Deer): Not troops.

Mr. Chrétien (Saint–Maurice): Some are and they are not members of the contact group. This is a diplomatic effort by the Russians, the Americans and three European countries which have more direct influence than we have. We do not have a traditional presence there and I admit that. However neither are the Dutch, nor the Belgians, nor the Spanish and many others. We should not take offence at that.

We are on the ground and we are making the decisions in relation to Canadian soldiers. We are participating in the discussions at NATO. We are participating in the discussions at the UN.

• (1430)

I had the chance to talk to many of the leaders, the president of Croatia, Prime Minister Major and President Chirac, and the minister of foreign affairs in Bosnia who unfortunately was killed over the weekend. I met him in Paris. He told me the best soldiers in that very difficult situation were the Canadians. Therefore we will keep backing them up.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, we agree we have the best soldiers. They should also have a say in the decisions.

The Reform Party warned the government not to renew Canada's mandate. The situation was unstable and the lives of Canadians would be placed in unacceptable danger if they were recommitted to Bosnia. The government ignored this advice and for a third time Canadian soldiers are being held hostage.

Canadians are demanding action. According to a recent poll of thousands, 90 per cent wanted Canada to pull out now. Why is the government refusing to listen to Canadians? Why is it showing such a total lack of good judgment in setting its policy toward Bosnia?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have had discussions with the Canadian military and we are supported by people who know something about this very difficult circumstance. Canadians have always been there in difficult circumstances. I am very happy that all parties except the Reform Party are supporting Canadian troops and the Canadian position.

It has been a tradition that when lives of Canadians are at stake in a difficult circumstance we back them up. The government is participating in discussions and decisions. We will make the best judgments to save lives.

In the meantime I know the millions of people living in that region are very grateful that Canadians are there to save lives and provide food and medication in a terrible situation.

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[*Translation*]

WINNIPEG JETS

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, my question is for the Minister of National Revenue.

It is unjustifiable on the part of the federal government to help a professional hockey club to the tune of $20 million, while cutting billions of dollars in social program funding.

After deciding that the federal assistance was inadequate, the Manitoba Entertainment Complex Save the Jets group applied to Revenue Canada for charitable status, so as to become eligible for indirect federal assistance in the form of tax deductions.

Can the Minister of National Revenue tell us what is the status of the application made by Manitoba Entertainment Complex and whether he intends to increase federal assistance to the Winnipeg Jets through tax deductions?

[*English*]

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the rules governing charities are set out by the courts, not by Parliament or the government. They are set out by a series of court decisions.

It has been determined over a fairly lengthy series of court cases that an organization entirely for the promotion of a sport is not a charitable organization. I cannot comment on the particulars of any one organization and where it stands within the process. I can as a general rule assure the hon. member that any

organization strictly for sporting purposes would not qualify for charitable status.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, will the Minister of National Revenue confirm information suggesting that the donations made to Manitoba Entertainment Complex would be considered as donations to the state or to a provincial Crown corporation, thus substantially increasing federal assistance to the Winnipeg Jets by allowing the deduction of such donations for federal income tax purposes?

[*English*]

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, once again it is difficult to comment directly about a specific case. It is not our practice to do that.

However, in general terms I can assure the hon. member any attempt to avoid the existing law as it has been laid down by the courts will be objected to by Revenue Canada. The law should be applied directly and fairly to all, as it has been in the past. It is always possible for people to attempt to alter the nature of an organization's objectives or to alter the nature of gifts to a charitable organization or to bring it within a charitable status. That is within their right. We will examine it thereafter when we receive that information and determine whether it meets the law.

• (1435)

We insist any organization that attempts to get charitable status meet the full requirements of the law.

* * *

BOSNIA

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I will make it plain from the outset that the Reform Party, like all parties in the House and all Canadians, supports and has great respect and admiration for our troops in Bosnia.

The Bosnian Serb reaction to NATO air strikes on Pale last week was entirely predictable, indeed a forgone conclusion. Was the Canadian government consulted on the decision to carry out the air strikes and if so did it approve?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is a decision made by NATO and the UN. In my discussion with the secretary general of the UN yesterday he said he had agreed.

We have not been formally consulted like the others. It was a decision made at that moment by the people who have the authority. We were not formally consulted for this air strike. We discuss policies all the time but the people on the ground make these decisions. It was approved by the UN, as requested in the policy of double keys.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, while Canada may not have the largest contingent of troops in the former Yugoslavia, we certainly have had a substantial commitment throughout the conflict and that commitment is highly rated.

Why, with so many Canadians vulnerable to the hostage taking which resulted, did the Canadian government not insist its approval be sought before NATO air strikes were approved?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I have to reiterate what the Prime Minister said.

A procedure was put down a year ago when NATO discussed the possibility of using air strikes. The United Nations has the authority in certain circumstances where warranted to ask NATO to perform those air strikes.

That procedure was followed last week and there was nothing abnormal about the procedures.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, my question is for the Prime Minister.

With its bill redefining the mandate of the Federal Business Development Bank, the federal government is once again going over the head of the provinces by assuming the right to sign agreements directly with organizations which come under the exclusive jurisdiction of the provinces.

How can the Prime Minister justify this new federal interference in regional development through the signing of agreements with organizations which come directly under Quebec's jurisdiction? Is this another example of what the Prime Minister calls flexible federalism?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, Canada's constitution clearly states that banks come under federal, not provincial, jurisdiction.

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, my supplementary is for the Prime Minister.

By refusing to renew the federal–provincial agreement on regional development, Ottawa rejected any form of dialogue with the Quebec government.

Will the Prime Minister recognize that the federal government is laying the foundations of another confrontation with Quebec by allowing the new Business Development Bank of Canada to sign agreements directly with organizations which come under Quebec's jurisdiction, and also by keeping the province from playing any role in the process?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I believe the question is related to ERDA, that is the agreement between the federal government and the provincial government. I should tell the hon. member that, unless I am mistaken, I already had one meeting with Mr. Chevrette. Two letters were written, and I told Mr. Chevrette that we are ready, right now, to sit down to renegotiate an agreement. The ball is definitely in the provincial government's court.

* * *

[*English*]

INFRASTRUCTURE

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, more questions have surfaced concerning the diversion of funds from highway 104 in Nova Scotia and the role of the public works minister.

The Prime Minister has said this is an issue for the Minister of Transport, and when one of his caucus members called it misappropriation of funds she was told to keep quiet.

If the minister of public works was such a minor player in all this, how could he have announced the funding diversion in February 1994 when according to a letter from the minister of transportation federal and provincial officials amended the agreement only three months after that? On whose authority was the minister of public works acting?

• (1440)

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the hon. member has been on a bumpy road with this line of questioning.

A meeting was held with the minister of transportation for Nova Scotia in January during which agreement in principle was achieved on the reallocation of the funds. In February the minister of public works on my behalf announced we had agreed to the funds being spent as was consented to by the province of Nova Scotia and the Government of Canada.

I reassure my hon. friend this situation has occurred over and over again in these agreements. The reason it occurs is that, unlike my hon. friend, most of us on this side of the House understand that the construction of highways and the choosing of routing for highways are within provincial jurisdiction.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is ironic the minister said that because in 1986 the Tory revenue minister diverted $20 million from a federal–provincial agreement to a road through his Nova Scotia riding and the Liberals here were incensed. Now the Liberal minister of public works has diverted $26 million from a federal–provincial agreement to his Nova Scotia riding and the Tories are incensed. It is déjà–vu.

Since the minister of public works refuses to answer anyone's question on this serious issue, we would like to borrow the words of the minister. Would the Prime Minister "put up or shut up?" Will he refer this issue to the ethics lap–person or is he content to go down in history as being just as big a hypocrite as Brian Mulroney?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, it is very unfortunate the hon. member does not understand that when the Government of Nova Scotia looked at the funding available for the highway to which the funds were originally dedicated it understood very little would be achieved in the spending of the very limited amount of money available.

It deemed it was in the best interest of Nova Scotians to allocate the funds to another highway. We consented to that, as is provided for under section 12.2 of the agreement where the agreement can be amended by consent. That is what occurred.

Unfortunately for the hon. member he will have to keep beating his dead horse because he does not seem to be able to find another one these days.

* * *

[*Translation*]

MONETARY POLICY

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, according to John McCallum, chief economist with the Royal Bank, the Bank of Canada's policy has been responsible for the steady drop in the standard of living of Canadians since 1990. And the new governor of the Bank of Canada has admitted that the bank is still implementing the policy introduced under the Conservatives by his predecessor, John Crow, a policy which the current Minister of Finance at one time denounced.

Does the Minister of Finance realize that the Bank of Canada's current monetary policy and the Conservatives' monetary policy are one and the same and that the policy is the direct cause of high unemployment rates and the drop in our standard of living, as he himself claimed during the last election campaign?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I must say that I find it difficult to understand why the hon. member has chosen this time to raise this point, since over the past two months, interest rates have dropped a total of close to 100 basis points.

It is very clear that the Bank of Canada's policy, which is to anticipate inflation, has a big impact on job creation. We cannot compare today's monetary policy to the monetary policy of four or five years past. There is an enormous difference and that is why the hon. member's claims do not wash.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in my opinion what does not wash is that the Minister of Finance sang a different tune altogether when he was still a member of the opposition. That is what does not wash.

I would like to know whether the Minister of Finance realizes that since he took office—I am mot talking just about the past five months—interest rates have gone up by one third. This stopped the weak economic recovery dead in its tracks, for, over the past five months, there has been no net job creation in Canada—a figure supported by Statistics Canada.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first of all, 100,000 jobs were created in the private sector in the last quarter. That is nothing to sneeze at.

• (1445)

We must compare the Bank of Canada's current policy to that of four or five years ago. As we all know, interest rates were at their peak in 1989. Therefore, there is no comparison.

The hon. member was right to quote me and the solicitor general, who was finance critic when we were both in the opposition. We were opposed to the monetary policy of the Bank of Canada then. The government of the time, in which the Leader of the Opposition was a cabinet member, and many erstwhile Conservative members who are now Bloc members, defended the policy.

So, instead of putting his question regarding the McCallum report and the Bank of Canada's policy to the government, I would suggest that the hon. member talk to members of his own caucus and maybe even have a private conversation on the issue with his leader.

* * *

[*English*]

CHILD SUPPORT PAYMENTS

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, my question is for the Minister of Justice.

Can the minister please inform this House as to when he intends to introduce proposed changes to the child support payment system that would prevent parents from neglecting their responsibilities for their children?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, while the judgment of the Supreme Court of Canada last week in the Thibaudeau case may have resolved the question with respect to the constitutionality of the present tax system in relation to child support, it remains for the government to determine whether that system is the fairest and most effective in providing for children.

I have been working with my colleagues, the Minister of Finance and the Minister of Human Resources Development and the Minister of National Revenue and the Secretary of State for the Status of Women in reviewing not only the tax system but the importance of enforcement mechanisms as well, as the hon. member has pointed out.

We have also looked at and published proposals for the establishment of guidelines to assist in the determination of the amount of child support to be paid, depending on the income of the parties.

Before the House rises at the end of June, we hope to put before the House proposals for change in those areas.

* * *

CANADIAN WHEAT BOARD

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, in January the solicitor general was asked to initiate an investigation into allegations of criminal activity by the Canadian Wheat Board. The solicitor general wrote to me, saying that the RCMP concluded there was not sufficient evidence to support these allegations.

Could the solicitor general provide me with a copy of the RCMP report, as was promised by his office to be done by May 22?

Hon. Herb Gray (Leader of the Government in the House of Commons and solicitor general of Canada, Lib.): Mr. Speaker, I will check with the RCMP. I am not sure if it is customary for them to release details of their investigation beyond stating the conclusion of their work, but I will check into it further.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I met with the chief superintendent of the commercial crime division and two inspectors of the RCMP in Winnipeg and I was advised that there had never been a request for an investigation from the solicitor general. The information commissioner validated this by confirming that no RCMP report on this issue could be found.

Why did the solicitor general lie to me?

Some hon. members: Oh, oh.

The Speaker: My colleagues, sometimes in forming our questions we use words that are inappropriate. I would ask the hon. member for Lisgar—Marquette to reconsider and please withdraw the word "lie".

Mr. Hoeppner: Mr. Speaker, for four months I have tried to get to the bottom of this. The facts speak for themselves. I have two letters confirming—

Some hon. members: Oh, oh.

• (1450)

The Speaker: My colleagues, in the course of the question period, in order to facilitate matters and to keep the flow of the questions and answers, sometimes your Speaker has to inter-

vene. Usually when words that are unparliamentary are used hon. members will reflect and under the urging of the Speaker most of the time they withdraw.

I would put it to the hon. member for Lisgar—Marquette, would the hon. member please withdraw the word "lie", a simple yes or no.

Mr. Hoeppner: Mr. Speaker, I came to the House with standards and I will not lower them.

The Speaker: My colleagues, I do not want to take the time of this question period. Therefore, I will ask the hon. member to please stay in his seat and I will deal with this matter after the question period.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs.

The Quebec Minister of Public Security has criticized the federal government's inertia vis–à–vis the expansion of the Mohawk cemetery in Oka. According to the minister, the federal government, which is paying its negotiator a handsome salary, still refuses to buy the 60,000 square foot piece of land being offered by the Municipality of Oka for the Mohawks.

How does the Minister of Indian Affairs justify the fact that he and his department are dragging their feet and have yet to purchase the land made available by the municipality to expand the cemetery?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I disagree with the premise. On the houses north of 344, it was 100 per cent federal money, several million dollars. On the houses the Province of Quebec requested we purchase south of 344, there was not one cent of contribution from the Province of Quebec.

We went in there and set up the Mohawk negotiator, the facilitator and the mediator and we purchased those houses. All the money being spent north and south of 344 has been 100 per cent federal money.

It is okay for Mr. Ménard to sit there and give me a lecture, but if he is serious about doing it they should be at the table offering some kind of contribution, more than just tokenism.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, all I know is that the problem is not resolved. It has cost over $350,000 for a negotiator to do nothing and leave.

How does the minister explain the fact that the negotiations conducted by the federal government with the Mohawks, which have cost a fortune to date, have resulted in absolutely nothing tangible, when a matter such as the purchase of land, if settled by the federal government, would prevent another confrontation between the Mohawks, the City of Oka and the Government of Quebec?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, once again the hon. member says there is nothing tangible. When we took over the government there were 70 or 80 illegally held houses north of 344. Now I believe we have it down to a dozen. We have a housing authority. South of 344 most of the houses are purchased; there are only three that are illegally held, and we are working on those. So there have been tangible results. There have been tangible results at the Mohawk round table and tangible results in individual negotiations with each of the three First Nations.

We are supposed to be honourable here. When the hon. member uses the death of two Mohawks and a funeral to further a political agenda, I think the hon. member falls below what is honourable in this House.

• (1455)

The Speaker: I wonder if the hon. minister would please reconsider his last words. They are, in my view, a personal attack and are not necessary in the course of the question period. Would the hon. minister please consider withdrawing that any other hon. member's conduct is less than honourable?

Mr. Irwin: Mr. Speaker, unlike the Reform, I unequivocally withdraw that remark.

* * *

INFRASTRUCTURE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, earlier today the Minister of National Revenue, in answering a question about the Manitoba entertainment complex applying for charitable status, thereby extending the $20 million this government has decided to throw at a professional hockey team to a further loss of about an extra $22 million if it is granted charitable status, bobbed and weaved as though there was a jet going overhead.

Can he not take a position in this House that he will ensure there will be no charitable status, no additional money coming out of Canadian taxpayers' pockets for this professional hockey team?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the premise of the hon. member's question is incorrect. No money from the federal government is going to the Jets hockey team, as has been said by the Prime Minister and

every other member of the government time after time. The basic premise of his question is incorrect.

With respect to the issue of whether any organization is entitled to charitable status, I have to tell the hon. member what I told my hon. friend from the Bloc a moment or two ago. That is, past decisions of the courts have said that organizations that are strictly for sporting purposes are not charities within the definition that has been put forward by the courts over the years. That is the situation in law. That is the law I must follow.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the point is that this government, which is cutting $7 billion from public spending in the area of health care, social assistance, and post–secondary education, suddenly found $20 million to put into a building to house a professional sports team.

Why cannot the minister do something very simple? He has given us the definition. Will he absolutely guarantee as a minister of the crown that the people of Canada will not be putting any more in than they are already going to be putting in at the figure of $20 million?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, on a number of occasions it has been explained to the Reform Party that Calgary and Edmonton are using infrastructure money for hockey arenas. It is strange to me that in Winnipeg they want different rules. They want things to be done differently from the two Alberta cities that are receiving money in this regard.

With respect to the position in law, I cannot guarantee that I will refuse any application that comes before me. They are judged on the merits in accordance with the law. The hon. member may not like that, his party may not like the application of the law, but on this side of the House we obey the law in these situations.

* * *

YOUTH EMPLOYMENT

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The government is restoring hope to young Canadians and delivering on promised initiatives made in the red book. Youth–oriented programs such as Youth Service Canada and the youth internship program are giving young people the tools to build better lives for themselves and for our society.

Will the minister outline for us some of the actions the government has taken to ensure that Canada's youth gain valuable work experience this summer?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the first thing I should point out is that we have made a substantial addition to the budget for youth employment this year. We have increased the actual employment program from $193 million to $236 million so that we could ensure young people would have effective work.

We have enough money to provide approximately 30,000 jobs and to provide wage subsidies to private business and community organizations. A major investment has gone into loans so that students can start their own businesses, thereby creating their own employment. There is a substantial amount going into the summer youth service corps in order that they will be able to work with the municipalities to provide better policing and better environmental controls.

Overall, we are providing direct employment through federal resources of well over 50,000 jobs for young people. That is an indication of our interest in ensuring that not only do they have a job, they have a job that will enable them to get the kind of training they will need for permanent employment in the future.

• (1500)

The Speaker: That concludes question period.

* * *

HOUSE OF COMMONS

The Speaker: I have the very pleasant task in the next few minutes to tell the House there are 507 parliamentarians who have served this House that are now outside of the House. Once a year they come back to Ottawa to meet with their former confrères, if you will, the former parliamentarians.

[*Translation*]

Today there are, on both sides and at the end of the gallery, 133 of our former colleagues who have come back to pay us a visit.

[*English*]

It is my pleasure on behalf of the House of Commons to welcome back our brother and sister parliamentarians from years gone by, and to thank you for the service you gave to Canada.

Some hon. members: Hear, hear.

* * *

NAMING OF MEMBER

The Speaker: Colleagues, we are dealing as a House with a problem that affects all of us. During the course of question period one of the hon. members used the word lie in putting a question.

The word lie used in this context, the word lie used the way it was, I judge to be unparliamentary.

I ask the hon. member in the name of the authority that has been placed in me by the House, squarely will he withdraw the word lie, yes or no?

Mr. Hoeppner: No.

The Speaker: Mr. Hoeppner, I have to name you for disregarding the authority of the Chair.

Pursuant to the authority granted to me by Standing Order 11, I order you to withdraw from the House for the remainder of this day's sitting.

[*Editor's Note: And Mr. Hoeppner having withdrawn:*]

* * *

• (1505)

REQUEST FOR EMERGENCY DEBATE

BOSNIA

The Speaker: Colleagues, I have received notice of a request for an emergency debate from the member for Red Deer.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, as you have mentioned, Standing Order 52(2) allows members to rise on a point of order when they feel it is in Canada's best interest that we debate a subject immediately.

For Canadians the lightning rod that created this urgency was the picture of Captain Patrick Rechner chained in that ammunition dump. That is the lightning rod that has Canadians demanding action. To them it was like that GI dragged through the streets of Somalia for the U.S. citizens.

The Canadian people have started to speak. Polls are asking us as parliamentarians to make—

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, a point of order. I wish to draw to your attention, with the utmost respect, Standing Order 52(3) which reads as follows:

> When requesting leave to propose such a motion—

That is for an emergency debate.

> —the Member shall rise in his or her place and present without argument the statement referred to in section (2) of this Standing Order.

Section (2) states:

> A Member wishing to move, "That this House do now adjourn", under the provisions of this Standing Order shall give to the Speaker, at least one hour prior to raising it in the House, a written statement of the matter proposed to be discussed.

I respectfully ask you, Mr. Speaker, to insist that the hon. member comply with the rules of the House.

The Speaker: The hon. House leader is quite correct. I did receive notification one hour prior to this time. I would ask the hon. member if he would put his case forthwith.

Mr. Mills (Red Deer): Mr. Speaker, the case that I am trying to present is why you should rule in favour of us debating this now. I am asking for your guidance. Can I present a case for why the Canadian people are asking for this to be debated immediately?

• (1510)

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I made the exact same request, therefore, I will join the member in asking, pursuant to Standing Order 52, if we could have an emergency debate tonight, after the adjournment, on the situation of the UN troops in the former Yugoslavia.

We know that the Minister of Foreign Affairs will be meeting with his NATO counterparts tomorrow. In this context, it is important for the House to give the minister its point of view.

The debate should enable us to assess the situation, analyze and evaluate the new developments and, finally, determine the conditions under which UN troops would remain in the former Yugoslavia.

It is in the public interest that parliamentarians be able to debate this matter before the government presents them with a fait accompli and, given the importance of the positions the government must take, it seems undeniable that there is every advantage in having this Parliament debate this matter tonight.

The Speaker: As my colleague said, I did receive a letter from the Official Opposition House Leader.

[*English*]

I would like to consider everything that has been said and everything that has taken place concerning this topic. I will return to the House as soon as possible, but I will return today before the adjournment motion.

ROUTINE PROCEEDINGS

[*Translation*]

REPORT OF PARLIAMENTARY LIBRARIAN

The Deputy Speaker: I have the honour to table the report of the Parliamentary Librarian for the fiscal year ended March 31, 1994.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

[*Translation*]

COMMITTEES OF THE HOUSE

OFFICIAL LANGUAGES

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I have the honour to present the second report of the Standing Joint Committee on Official Languages on concurrence with vote 25, Official Languages Commissioner, for the fiscal year ending March 31, 1996.

* * *

[*English*]

PETITIONS

INCOME TAX ACT

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to rise to present a petition on behalf of 25 Manitobans.

The petition calls on the government to amend the Income Tax Act to provide a child care expense deduction that is available to all families regardless of the income level of the parents, the amount of child care expenses incurred or the form of the child care chosen.

RIGHTS OF THE UNBORN

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I have three petitions. The first bears 100 signatures of petitioners from my riding.

They pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the second petition bears 125 signatures.

The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the third petition also bears 100 signatures.

The petitioners pray that Parliament not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide or euthanasia.

• (1515)

JUSTICE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is my privilege and honour to present a petition on behalf of residents of Kamloops, Clear Water, Barriere, Vavenby, Chase, Logan Lake, Little Fort, Birch Island, Blue River, Savona, Westwold and Cherry Creek, which brings to a total of 87,422 signatures on a petition circulated by JC–55 SuperCountry radio in Kamloops.

The petition basically points out the need to have the Minister of Justice take whatever steps are necessary to amend Canada's Criminal Code and parole system to ensure safety and peace in our neighbourhoods.

DANGEROUS OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise to present a petition from citizens concerned about making our streets safer for the citizens of Canada. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences. They pray that we make our streets safer for law–abiding citizens and families of victims of convicted murderers.

HUMAN RIGHTS

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have a petition to present on behalf of approximately 125 residents of Canada. They point out that discrimination against lesbian, gay and bisexual Canadians exists in every region of Canada and that this is unacceptable in a country known for its commitment to human rights equality and dignity for all citizens. It calls upon Parliament to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt measures to recognize full equality of same sex relationships in Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 181 will be answered today.

[*Text*]

Question No. 181—**Ms. Beaumier:**

With respect to the Department of National Revenue's Assessment 2000 effort, (*a*) why is there a provision for backhauling from a CW licensed warehouse to a BW licensed warehouse in cases where the department will not grant a BW licence, and (*b*) what is the threshold in terms of volum of business for granting a BW rather than a CW licence where all other criteria have been met?

Hon. David Anderson (Minister of National Revenue, Lib.): A BW sufferance warehouse is a primary public facility licensed by Revenue Canada for the receipt of in bond freight

imported by highway. These facilities are serviced by Revenue Canada and are licensed when a demonstrated need exists for either a new or additional highway sufferance warehouse in a customs area.

A CW sufferance warehouse is a secondary facility for the private use of an operator for the deconsolidation of in bond freight arriving by any mode of transportation. In the case of highway freight, goods must first be reported to the primary BW highway warehouse before being transferred to a CW warehouse for customs clearance. These facilities are operated by freight forwarders, consolidators and deconsolidators for freight carried in their system.

In reference to part (a) of the question, an increasing number of companies have been applying for CW sufferance warehouse licences in the Toronto area. Faced with limited resources, local Revenue Canada officials introduced a system to allow freight forwarders to backhaul goods requiring customs examination to the BW sufferance warehouse rather than having Revenue Canada provide the service to the CW facility. This arrangement has permitted the department to license additional CW warehouses since no on site customs service is required for examination purposes.

In reference to part (b) of the question, the policy on the licensing of BW highway sufferance warehouses is one per customs area, with exceptions made for high volume locations. Current departmental policy provides for the licensing of an additional type BW facility if the volume of commercial highway traffic handled at a particular customs office exceeds 40,000 shipments per year over a sustained period of time and the potential operator demonstrates the ability to attract a minimum of 20,000 shipments per year.

There is no volume of business criteria for CW facilities, however the department must be able to service them within existing resource levels.

[*Translation*]

Mr. Milliken: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[*English*]

Mr. Collins: Mr. Speaker, I rise on a point of order. I want to present a petition.

The Deputy Speaker: Are colleagues agreeable to going back to petitions so that the member can present his petition?

Some hon. members: Agreed.

* * *

PETITIONS

ASSISTED SUICIDE

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, on behalf of the residents of my riding of Souris—Moose Mountain, I have the privilege under Standing Order 36 to pray on behalf of the petitioners that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS DEVELOPMENT BANK OF CANADA ACT

The House resumed consideration of the motion.

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I am happy to rise today to speak to Bill C–91 on second reading.

Through this bill, the government wants to streamline the Federal Business Development Bank and modernize its operations, two words that are undoubtedly tied to the reality of markets as we near the end of this century, but which fool nobody as far as the intentions of the federal government are concerned. The government simply wants to interfere even more in regional development, and in the case of Quebec, to increase its presence in the most important economic development mechanisms of the Quebec state.

The government is proposing major changes with this entirely new act, the Business Development Bank of Canada Act, which changes the name of the Federal Business Development Bank and repeals the FBDB Act.

The Bloc Quebecois is therefore opposed to any amendment of the actual Federal Business Development Bank Act. This bank must not lose its role as banking service of last resort for small and medium size businesses in Quebec looking for venture capital and development capital.

In the past, the FBDB has always been a very efficient development tool, greatly appreciated by Quebec's small and medium size businesses.

• (1520)

It should be noted that more than 33 per cent of current FBDB loans are made in Quebec, that 23 per cent of the bank's offices are located in Quebec, that the annual volume of FBDB loans to Quebec is in the order of $310 million, or 38 per cent of the annual volume for the whole of Canada, and that 50 per cent of the organization's staff is active in Quebec.

That is why the Bloc Quebecois is proposing the status quo with respect to the FBDB. We should not forget that the Quebec state exists and that it is trying to create its own development mechanisms, despite strong federal interference in regional economic development. The FBDB remains a parallel structure, an administrative duplication, when it cannot adapt to regional specificity because of so–called national policies.

Several structures and programs of the government of Quebec are already geared to small and medium size enterprises in Quebec. The Société de développement industriel (SDI), with programs such as Aide à la production, which can contribute up to 35 per cent of capital expenditures for a minimum investment of $100,000, or Reprise de la PME, a program which provides loan guarantees covering up to 80 per cent of the net loss on a loan made by a financial institution, are among the many examples that attest to the economic involvement of the Quebec state in small and medium size businesses.

There is also the Fonds d'aide aux entreprises that is administered by the Conseils régionaux de développement, an association of individuals where a greater importance can be given to the specific policies of these same regions. There is also the Fonds décentralisés de création d'emplois that are administered by the Secrétariat au développement des régions, and other programs for small businesses, including Innovation, administered by the Quebec department of industry, commerce, science and technology, that also attest to the existence of a small business financing structure in the province of Quebec.

Moreover, in his last budget, Quebec finance minister Jean Campeau announced that he intends to really play the venture–capital card by increasing regional funds and by creating the Fonds de solidarité de la CSN. We already had the FTQ solidarity fund. By adding another solidarity fund, we expect to be able to create many more jobs. I would like mention one of these regional funds in particular: SOLIDE, a venture capital fund related to the SOLIDEQ program and designed to promote local development. SOLIDEQ is a joint venture of the Fonds de solidarité du Québec and the Union des municipalités régionales de comté du Québec.

I must also mention the Caisses populaires Desjardins, which play a major role in financing small business by granting loans at the local community level. This network of more than 1,232 credit unions accounts for nearly 25 per cent of all commercial loans in Quebec. This is unequalled anywhere in Canada.

There is no point in looking for more evidence of the fact that the new bank will not operate at that level, that broadening the Federal Business Development Bank's mandate as suggested in Bill C–91 constitutes not only duplication of small business assistance structures in Quebec and every other province in Canada, but also overlap of responsibilities.

The question we must ask ourselves regarding the role of the FBDB in Quebec is: How can this last resort institution be integrated into the assistance facilities already available in Quebec without causing duplication or overlap? For many years now, the FBDB has been moving away from venture capital financing and development assistance for new businesses.

The FBDB had its place in remote areas, where capitalization through the creation of medium or large size businesses often proves impossible. Why then mess with this assistance that remote areas need so desperately and start competing with provincial governments and traditional banking institutions?

The Bloc Quebecois members sitting on the Standing Committee on Industry prefaced their dissenting report by saying that the Quebec government is in a better position to assess the financial requirements of small and medium size businesses, as well as to develop and implement appropriate programs; yet, the federal government has currently taken over most of this area of jurisdiction, thereby causing many costly instances of overlap. It is obvious that, with Bill C–91 broadening the FBDB's mandate, the federal government is only reinforcing this tendency.

• (1525)

Furthermore, this bill could also have a very worrisome impact on the FBDB's role as an instrument for economic development. Indeed, since the bank will no longer be limited to its role of lender of last resort, it could provide complementary financing.

The risk, of course, is that the FBDB might go the easy way and concentrate on complementary financing, rather than on last resort financing such as stock or risk capital. Since complementary financing is less risky, the FBDB may naturally be inclined to concentrate its activities on that type of financing.

The expansion of FBDB's mandate, combined with the fact that it will now be able to issue hybrid capital instruments, is likely to distort the bank's role of supporting economic development, while also changing the nature of its mandate.

Before concluding, I want to draw the members' attention to clauses 20 and 21 of Bill C–91, which are totally unacceptable to the provinces, and particularly Quebec. Clause 20 reads: "The Bank may enter into agreements with, and act as agent for, any department or agency of—a province—for the provision of services or programs—on their behalf—"

That provision in the bill goes against the decentralization process undertaken by the Quebec state within its territory, where the regions want to take control of their own development.

With this clause, the federal government pursues its centralizing strategy, a political strategy the objective of which is to significantly reduce the power of the Quebec state to become involved in economic development and, ultimately, to keep it from achieving political independence.

By assuming the right to act, through the FBDB, as agent for Quebec organizations or departments, the federal government totally ignores the authority of Quebec's National Assembly and its executive council act, which provides that any Quebec organization or department must seek the authorization of the Quebec government prior to dealing with the federal government.

The new Federal Business Development Bank, or the Business Development Bank of Canada as it is called in Bill C–91, is now the federal government's main means of interfering in Quebec's economic and regional development. This government wants to act as a banker and take over the role of financial institutions in Quebec and Canada.

This is a definite departure from the FBDB's current mandate. The federal government wants to use the FBDB as a tool to limit the powers of the Quebec state to become involved in economic and regional development so as to take over provincial fields of jurisdiction and, ultimately, weaken the Quebec government's autonomy.

This is why the Bloc Quebecois opposes Bill C–91 and is in favour of maintaining the existing structure if the government is not prepared to propose new ways which would truly promote regional development and which would also help the regions take control of their development.

[*English*]

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I would like to add some observations about Bill C–91 before the legislation is sent to the Standing Committee on Industry.

[*Translation*]

This new bill will enable the Business Development Bank of Canada to expand its activities and to provide programs and services to meet the changing needs of Canadian small business, particularly with respect to improved access to financing.

[*English*]

It has been 20 years since the current Federal Business Development Bank was established by legislation. At that time the hon. member for Windsor West spoke in the House on the incorporation of the FBDB saying it would further encourage and assist the establishment and growth of Canadian small business and indeed it has. The bank has lent over $4 billion to Canadian entrepreneurs at no cost to taxpayers. This amount is estimated to have created more than 30,000 jobs in the past six years alone.

• (1530)

Hon. members are well aware of the important role small businesses play in the new knowledge based economy that has emerged in the 1990s, an economy characterized by rapid technological change, intense global competition and innovation.

As the economy becomes global the smaller players are becoming more influential. Small businesses have the flexibility to respond quickly to niche market opportunities; they can keep up with change and innovate aggressively. This was summarized by the Standing Committee on Industry in its report last October entitled "Taking Care of Small Business". The committee wrote: "The smallness of these firms is a clear advantage. It makes it easier for them to sustain innovation and an entrepreneurial spirit. Indeed, several of the most prosperous and competitive economies in the world today are based on small firms."

Canada now has about two million small businesses, an increase of one–third since 1982. Today, 99 per cent of all registered businesses have fewer than 100 employees. Since 1992, in the last three years, small businesses have created virtually all of the net new jobs in Canada. Canadians will continue to look to small business for new jobs and economic growth. Small businesses, including the self–employed, now account for almost two–thirds of private sector employment and 60 per cent of our economic output.

However, small businesses face unprecedented challenges. In the face of intense global competition, small businesses need to upgrade their management skills, find employees with the right skills mix for their market niche, develop or acquire technology that helps them to innovate, and develop very quickly the ability to tap into foreign markets.

The government has addressed small business issues in a variety of ways. I will point out that this government has placed a high priority on responding to the challenges faced by small businesses. We made small businesses the centre of our economic platform in the red book. We published a position paper entitled "Growing Small Businesses" to accompany the 1994 budget. Since that time we have received valuable input on small business issues from a wide variety of informed sources from within government, the private sector, and parliamentary groups.

We have had numerous combined discussions within our federal Liberal caucus, a working group set up under Industry Canada with the private sector and leadership from within Industry Canada. Throughout these various studies several recurring themes emerged. One message was that small business has a vast untapped potential for creating more jobs and more wealth. Another theme was the government role must be to facilitate the efforts of those outside government to build an innovative and entrepreneurial economy. Finally, the various

studies brought home the point that government programs must become more efficient, effective and relevant to the needs of small business.

This government has responded through initiatives announced in the 1995 budget and in the report, "Building a More Innovative Economy". This legislation is not in a vacuum; it is in the context of a whole series of initiatives to allow small business to do what business does best, which is to grow the economy, grow new opportunities and new jobs for Canadians.

The Federal Business Development Bank has from its inception been designed to help tap the potential of small businesses to create jobs and wealth, and it has done so in a way that is self–financing. This legislation has been drafted so the new Business Development Bank of Canada can become more efficient, more effective, more relevant to the needs of small business.

The Business Development Bank of Canada will not compete with private sector lending institutions but it will provide complementary services.

• (1535)

The private sector banking community still faces many challenges in adequately serving the needs of small and medium–sized businesses. Four gaps particularly exist in the financing of small business. The first is the so–called risk gap, the unwillingness of lending institutions to provide certain small businesses loans even at interest rates that reflect the higher risks associated with those loans. The second is the size gap, the high transaction costs associated with smaller loans and investments relative to larger ones. Third is the knowledge gap, the reluctance of lenders to provide financing to knowledge based, soft asset firms. Finally, the flexibility gap, the unwillingness of lenders to provide flexible financing to promising businesses that have yet to reach cashflows sufficient to service debts.

The FBDB has been one of the government's primary policy instruments for responding to these gaps as well as to the need of small business for management services.

It is important that we move quickly on this legislation. I do not think there is a member of Parliament in the House who does not regularly hear from and meet with small business constituents who say consistently that lending, financing, dealing with their bank is a major problem for them. There has been a substantial change in that relationship. Whether it is an existing small business that has been going for many years and suddenly finds itself in a different situation because of a changing economy or whether it is a new entrepreneur wanting to start up and needing the foundation to get started, the problems we hear from our constituents, and certainly I do from many small businesses in Ottawa West, all focus around the problem of financing, either start–up or continuing or expanding business.

The initiatives being taken to give the Federal Business Development Bank more flexibility under its new name to allow it to seek out new partnerships will allow it to ensure that small business can continue to drive the Canadian economy forward into the 21st century. By supporting small businesses through the evolving stages of their development, the FBDB helps them create jobs and succeed. Now as the Business Development Bank of Canada it will have greater flexibility to respond to the changing needs of Canadian entrepreneurs.

I look forward to the range of debate that can take place in the industry committee on this bill and to seeing it reported back to the House of Commons quickly so that we can get on with the task of helping small business in this country grow the economy and grow prosperity for Canadians.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the division bells having rung:

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Defer until tomorrow at 5.30 p.m.

The Deputy Speaker: A recorded division on the proposed motion stands deferred.

* * *

ROYAL CANADIAN MINT ACT

The House resumed from May 19 consideration of the motion that Bill C–82, an act to amend the Royal Canadian Mint Act, be read the second time and referred to a committee.

• (1540)

[*Translation*]

The Deputy Speaker: When we last examined Bill C–82, there were 12 minutes remaining to the hon. member for Edmonton Southwest.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is my privilege today to speak to Bill C–82, a bill that would see the Canadian Mint issue a new coin for use by Canadians. This would be a $2 coin to replace a $2 bill.

There apparently was a survey done by the mint that stated that Canadians would support converting the $2 bill to a $2 coin. It also stated that if this was implemented it would save Canadian taxpayers $250 million. It may seem odd that perhaps Reform would oppose a cost saving measure, but I do not think the whole story was told when this survey was implemented. It almost seemed like a bit of a fixed survey. Obviously the $2 bill is costing Canadian taxpayers because of its short shelf life. However, there were a lot of questions that were not asked in the survey such as whether Canadians are in favour of having a $2 denomination at all. Do we need a $2 denomination? In fact if we were to remove the $2 bill and not replace it with a $2 coin we would save even more dollars. However, I do not believe that option was included in the survey the mint used.

I think it is important that we not let this thing quickly slip through but that we do point out that perhaps there were some flaws in the survey and we do need to consider this matter a little further.

Before I get into this, it does surprise me that this is a high priority on the government's legislative agenda, that we are talking about the minting of a $2 coin. The House denied unanimous consent to debate the Bosnia situation. I guess the government members felt that the debate of a $2 coin was more important than our concern for our peacekeepers in Bosnia, because this is on the Order Paper and we are debating it now rather than debating the work of our peacekeepers in that very ugly situation.

One would have thought the government would have hurried the drunk defence bill through committee and to the floor of the House so we could debate that. There are several justice bills that the government tabled months and months ago. However, it seems to be willing to let them lay dormant until the very end of the session. It must want to just ram this legislation through at the end of the session to try to avoid public exposure to its bills.

Here we are today, very near the end of the month of May with just a few sitting days left and we are debating the minting of a $2 coin. I wonder what Canadians think of the Liberal government's priorities in this case. One would think that it would be more important to be talking about balancing a budget than creating new coins. This is just more money to go into the hole with. It is really strange that we are debating the minting of a $2 coin.

There has been lots of discussion as to what will be on this coin. I may get to that later in my speech. However, I do want to talk a bit about the survey the Royal Canadian Mint submitted. Approximately 80 per cent of respondents in the survey favoured the introduction of a $2 coin to replace the $2 bill. However, as I said, this result was achieved only after telling Canadians that they would be saved $250 million of their own taxpayers' money.

The Reform Party is not questioning the fact that the government will save the $250 million, which is over 20 years by the way, but we are having a problem with the Liberal government not taking the time to examine particularly what the cost would be to the private sector. At odd times the government pays lip service to the private sector and says it is supportive of the private sector. But when the rubber hits the road, actions always speak louder than words. Here we go again: the Liberal government is making a proposition that will cost the private sector a big bundle of their own cash.

My colleague from Elk Island outlined many of the different groups that were not consulted in this survey and that had opposition to the bill. The vending machine operators will take the brunt of the cost. It is vending machine operators who are dependent on coinage in their machines. The conversion of existing vending machines to accept the new $2 coins could cost up to $800 per machine. That is an additional cost to the private sector, small business.

• (1545)

What will it do with these added costs? Will it swallow them and see lost profit? I doubt it very much. Business is usually a little smarter than that. It will more than likely pass that cost on to the consumer. It will come out of the same old pocket again. The consumer taxpayer will be paying not only for the minting of this coin but the additional cost passed on by the vendors.

It is interesting to note that soft drink manufacturers such as Pepsi and Coca Cola are furious about the changes. Vending machine operators have still not converted all of their machines to accept the loonie. It has been eight years since the loonie was introduced. We still do not have all the vending machines accepting loonies and now we are talking about minting a $2 coin and all of the vending machines have to be adjusted to accept the new coinage.

The Canadian Banking Association has concerns. I know there is a member on the other side who was involved with the Canadian Banking Association. It has some real problems with issuing the new $2 coin. It estimates that right now it has

between 30 and 50 million surplus loonies in its vaults. That is a lot of money. If those are recirculated perhaps we would not need a $2 minted coin.

Heather Sinclair, president of the Canadian Banking Association, suggested recirculation of the surplus loonies would provide all the coins needed during the removal of the $2 bill from circulation. We may be able to save Canadian taxpayers much more than $250 million if we take a longer look at this and do the right thing. The cost of this survey was approximately $20,000. It seems a shame to spend $20,000 on a survey that was incomplete and perhaps leads us to the wrong conclusions.

In the survey the mint also asked what 10 themes Canadians would prefer on the tail side of the coin. That is an interesting question to ask Canadians. I can imagine some of the answers. I imagine dead politicians were on the list, perhaps heroes, wildlife, landscapes. I wonder if anyone suggested putting Brian Mulroney's picture on the $2 coin. Nobody would use it in that case. It would be a symbol of bad luck, bad taste and would settle the matter right there and the coin would not be issued.

It seems the government wants to mint a new $2 coin and that this bill will follow the usual passage through the various stages. The Liberals will line up and like little voting machines they will vote for this piece of legislation without giving it very much consideration and we will have a $2 coin.

A number of groups have proposed designs for the new $2 coin. Some of them are rather plausible and certainly have some credibility. Others we kind of smile at a little and say we doubt very much whether Canadians would want that image stamped on to the new $2 coin. Apparently Glendon, Alberta has proposed the new coin take on the likeness of the town's symbol, a giant perogie on a giant fork. That would be great. We also have a big oil can in the town of Rocanville, Saskatchewan. I do not know if it has submitted that but it would be another worthy suggestion. There is the Ukrainian Easter egg from Vegreville. I am sure if we had the former finance minister with us that would be his suggestion.

I thought of a great Canadian symbol, probably the greatest symbol we have of a white elephant in Canada, the Mirabel airport. I do not know how we would stamp Mirabel airport on a $2 coin, but I am sure our former Prime Minister, Mr. Trudeau, would be very happy to see that stamped on a $2 coin in memory of his great project, probably the most under used airport in Canada.

We know the minister of public works is looking at a number of plausible suggestions for design on his coin. Perhaps the minister would want a dingy on it. Perhaps the minister of fisheries would want a turbot on it. If it were a turbot we would have to make sure it was not a small one. I am sure the minister would insist on a sexually mature turbot. That would be only reasonable.

• (1550)

We know the Liberal government is to implement this new design. It is very unlikely it will change its mind. It seems to be bent on minting a new $2 coin. I thought in all seriousness, if the House goes against my wishes and decides to mint a new $2 coin without looking further at the cost perhaps it would be time to have a prairie symbol stamped on a coin. The prairies have often been overlooked and they have much to contribute to the national perspective. We have contributed a great amount of money to the national economy, as my hon. colleague from Lethbridge has said. Canadians hold the prairies in high esteem and it is only fitting the new $2 coin, if it is passed by the House, be stamped with a prairie symbol.

I am sure even hon. colleagues from Ontario and Quebec, the Atlantic provinces and our western maritime province in the north realize they have had their fair share of symbols stamped on our currency. Perhaps it would be time to show some more recognition to the prairie region.

I have a proposal for the new coin. It is in the image of a white tailed deer. These deer are common species on the prairies. They are one of the primary game animals of the region. They are still plentiful across the prairies and can be found in northern Ontario and northern Quebec.

They are beautiful animals. They are enjoyed by sportsmen, by shutterbugs, by artists and by nature lovers alike. They are synonymous with Canadian history and the development of the prairie region. They helped sustain our aboriginal peoples long before white man even discovered the prairie region.

They were important to the pioneers who settled the area in the late 19th century. They are very much an appreciated species on the prairies.

White tailed deer hunting brings more money into Saskatchewan than any other hunting or fishing activity. The Saskatchewan ministry of the environment and resource management calculates $800,000 per year is put into provincial coffers alone from the sale of deer licences and a further $3 million is brought into the province each year by out of province and out of country hunters.

In 1993 a constituent of mine, Mr. Milo Hansen of Biggar, Saskatchewan, a progressive community in the Kindersley—Lloydminister constituency, was fortunate enough to shoot the world record white tailed buck. The old record was set in Nebraska in 1914.

That is an incredible accomplishment on the part of Mr. Hansen. It has become famous in my part of the world and it needs some national exposure. Since the Hansen buck was taken, hunting activity in the area has increased and more American hunters are coming to Canada.

A new $2 coin featuring the Hansen buck would be a fitting way to commemorate this internationally acclaimed achievement of my constituent.

Here are some historical reasons why a prairie symbol should adorn the new coin. While other parts of Canada have been represented on our coins in the past, none have strictly represented the prairies. For example, the maple leaf on the penny and the beaver on the nickel represent central Canada for the main part. The sailing ship on the dime, the beautiful and famous *Bluenose*, represents the Atlantic region. The moose on the quarter and the loon on the dollar represent the Canadian shield in the north. Putting a prairie symbol on the new $2 coin would create a regional balance on our nation's coins.

I understand the mint has done some public consultation about the nature of the new coin and I trust the continuing tradition of representing Canadian wildlife remains a popular option. I assure the House that the town of Biggar, Saskatchewan is supporting this proposal, as are many other Saskatchewan and prairie members of Parliament.

The Hansen buck is truly a great Canadian achievement and therefore I propose the new coin be designed in the image of a white tailed deer as nearly as possible in the minting of coins to the actual Hansen buck. I have a poster of it in my office. If any members would like to see this beautiful animal they are more than welcome to stop by. I would be very happy and very proud to show them how beautiful this specimen is.

I have been a bit facetious in some of my remarks about some of the potential images that could go on the coin. Probably we should not even mint the coin unless we are absolutely sure Canadians understand all the alternatives.

If that does not happen, if that dialogue is not permitted, if the mint goes ahead with this plan after it is approved by the House I would ask the House and the mint, the department of public works, to give serious consideration first and foremost to a prairie symbol being on the coin. Second, if it pleases Canadians, members of the House and the mint, and I hope it would, I ask they give serious consideration to stamping an image of the Hansen buck on the new $2 coin.

• (1555)

[*Translation*]

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I listened with interest to the remarks of the hon. member for Kindersley—Lloydminster.

First of all, I would like to remind him that during the last election campaign and in our red book we undertook to reduce the deficit, and we believe that by introducing this new $2 coin we will realize some extremely interesting profits on the order of $250 million.

I am a little confused because, since their arrival in the House, the members of the Reform Party have repeatedly told us that we must make cuts in every way possible and now what do I hear but this member and the member for Elk Island telling us "yes, but". The member for Elk Island actually said that the Reform Party would go so far as to vote against the bill. I can hardly believe my ears, and I would like some further explanation from my colleague.

As for vending machines, it should be pointed out that operators will not be obliged to conform immediately to the new legislation and adjust to the new coinage.

It should also be said that vending machine operators will undoubtedly take the opportunity to increase their profits, since this $2 coin will make it possible to offer complete meals, that is meals that will cost a bit more. With the new technology, it will be possible to have hot meals, just as it will be possible to have larger refrigerated meals.

I ask my colleague, in all fairness to the Canadian men and women listening to us, to comment on what I have just said.

I would also like to say that during the survey done with respect to this $2 coin, Canadians were split almost equally in their response to the first question concerning their wish to have such a coin. In response to the second question, which pointed out that there would be savings of $250 million over twenty years, the percentage in favour rose sharply to 79 per cent. I would like my colleague's comments on this matter.

[*English*]

Mr. Hermanson: Mr. Speaker, I thank my colleague for his question. I took a stab at answering that question in my speech but I would be happy to review some of those facts with the hon. member.

As I said in my speech, all the options were not considered in that survey. We really should have asked Canadians whether they felt there should be a $2 currency at all. Maybe we should eliminate the $2 bill, which is very expenses, and not replace it with a $2 coin. Perhaps in five years with inflation having done its thing there would be a recommendation for a $5 coin. Then we would have to revamp all the vending machines, mint a new coin and go through the procedure once again.

We should be talking how we can save Canadian taxpayers the most money. I suggest in that consideration we look at whether there should be a $2 currency period, coin or bill. If it were determined we do not need that it would save much more than $250 million. That is what I was trying to get across to hon. members on the other side, had they been listening a little more closely.

• (1600)

Another thing we should be looking at is whether we still need the penny in Canada. Pennies are extremely expensive. We have been minting pennies because people hoard them. Pennies are put into jars and never get back into circulation. It is even worse

than the loonie which apparently is being stored in bank vaults. There are millions of them.

ROUTINE PROCEEDINGS

[*English*]

REQUEST FOR EMERGENCY DEBATE

BOSNIA—SPEAKER'S RULING

The Speaker: My colleagues, forgive me for interrupting the answer. Of course, the hon. member will have the floor when we have finished.

Earlier today we had a request from the hon. member for Red Deer and the hon. member for Roberval and I am prepared to make my ruling in the application for an emergency debate.

I have listened carefully to the application of the hon. members for Red Deer and Roberval under Standing Order 52 for an emergency debate on the current crisis in Bosnia–Hercegovina. I have decided that the two applications do meet the exigencies stipulated in Standing Order 52. Consequently a debate will take place this day at 8 p.m.

Mr. Boudria: Mr. Speaker, I rise on a point of order.

There have been conversations among the parties in the House in anticipation of the ruling of the Speaker. I think you would find unanimous consent that the debate commence at 6.30 p.m. rather than 8 p.m. and that the debate finish at 10.30 p.m. rather than at midnight. The effect would be to have the usual four hours for the emergency debate but to allow for the debate to proceed immediately after adjournment at 6.30 p.m.

Mr. Speaker, if you were to offer that to the House, I believe you would find in the spirit of co–operation that such an agreement has been made among the parties and you would find consent to commence the debate at the time I have just suggested and to end it accordingly.

The Speaker: My colleagues, you have heard the explanation of the government whip. Is there unanimous agreement that the debate do begin at 6.30 p.m. and terminate at 10.30 p.m. this day?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

ROYAL CANADIAN MINT ACT

The House resumed consideration of the motion that Bill C–82, an act to amend the Royal Canadian Mint Act, be read the second time and referred to a committee.

Mr. Hermanson: Mr. Speaker, I was speaking about the penny in answering the hon. member's question. I suggested we should view whether or not we need the penny in circulation because it is of an extremely high cost to Canadians because they hoard them.

The real problem why we need the penny is rather ironic. It is because we have the GST which adds 7 per cent to everything. The Liberals promised to do away with the GST. I am sure that retailers and businesses across the country would be happy to deal in increments of 5 cents and we could do away with the penny. But how do they not charge GST on 39 cents or 59 cents of goods? If the government had kept its promise to eliminate the GST, perhaps we could be talking about not only doing away with the $2 currency but doing away with the penny as well and saving considerably more than $250 million for Canadian taxpayers and consumers.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, it is my understanding that a bimetallic $2 coin requires new technology. My opinion is it would be a terrific advantage. The Royal Canadian Mint and Canadian suppliers are working together to compete for foreign production contracts for bimetallic coins.

I would be interested to hear from the hon. member about the advantages and the source of revenue this might provide.

Mr. Hermanson: Mr. Speaker, I tried to follow the question but I missed a little bit of it there.

• (1605)

It seemed to me that the hon. member was talking about the opportunities to market the minting of coins which would stimulate jobs and would have some economic spinoff. Certainly, if we can do that internationally that is fine. If the Mexicans want to mint a new peso and they ask us to provide the technology, that is wonderful. If we can have a long term plan to improve the minting of our own Canadian coin that would be wonderful.

However, there are flaws with this survey. It states that there are two main concerns with the implementation of the $2 coin. First, it seems as though there is no overall strategy with regard to our currency. We are talking about different weights and the

fact that we may have to re–mint all of our coins. Why are we going to implement a new $2 coin and then find out that we have to change our loonie, quarter, nickel and dime because the weights are not right?

It is going to be a cruel joke on Canadian business. Certainly it will be a cruel joke on those who are manufacturing vending machines because they are going to have to refit those machines annually or every two or three years. It is just not well thought out. We also have to consider the cost to the Canadian consumer which would be immense, far more than $250 million and far more than any economic stimulus generated by the minting of new coins in Canada.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, it is with pleasure that I rise in the House today to speak about Bill C–82, an act to amend the Royal Canadian Mint Act.

Allow me to begin my speech with a digression. I am making my comments in the House of Commons today as the Bloc Quebecois' deputy critic for Government Services and Public Works; the Bloc Quebecois' main critic for this department is the hon. member for Québec–Est, Jean–Paul Marchand.

As deputy critic and member for Charlevoix, it is my pleasure to take the floor regarding this bill. I may be present in the House today, but my thoughts are elsewhere. In my riding, workers are threatened by the closure of employment centres in La Malbaie, Forestville and Baie–Comeau. I am also thinking of all of the problems associated with unemployment in my riding, which affect all workers, unemployed persons and welfare recipients in the RCM of Charlevoix East and West.

The parliamentary secretary may feel that this has no bearing on the bill. If he lets me continue, he will realize that what the people of Charlevoix want is to work in order to have money in their pockets, whether it be in the form of a bill or a coin. This is a superficial issue and, in my opinion, discussing whether the denomination is made of paper or another material is a waste of time: the people of Charlevoix are concerned with working and earning money.

I would also like to remind the parliamentary secretary of what he mentioned earlier to the Reform member regarding the red book, and I would ask him to reread the three little words which got the government elected: "jobs, jobs, jobs". Closing employment centres, declaring the employees of manpower centres surplus and determining unemployment zones will not stimulate local economies.

If this legislation is passed, the two dollar bill will be replaced by a two dollar coin at the beginning of 1996. All two dollar bills will be returned to the Bank of Canada for disposal. The federal government can only introduce this new two dollar coin if it obtains Parliament's approval, since the proportion of nickel, bronze and aluminum in this new coin is not specified in Part II of the schedule to the Royal Canadian Mint Act.

If Part II of the schedule to the Royal Canadian Mint Act already specified the coin's composition, the government would not be required to obtain Parliament's approval prior to minting it.

• (1610)

The government's main argument in an effort to get the House to adopt the bill is that the introduction of a $2 coin will generate savings of approximately $250 million over 20 years. They do say every little bit counts, but, taken over 20 years, this amount is almost negligible compared with the amount of the deficit.

In its information paper, the Royal Canadian Mint states that the introduction of a $2 coin, which, in passing, will be larger and heavier than the $1 coin, serves the needs of business. They should have said, "some businesses", because not all business people look kindly on this bill. The proof lies in the fact that the federal government had to conduct two surveys of businesses and consumers, since the results of the first survey were not in favour of introducing the $2 coin.

The surveys were done by the Environics firm. It surveyed 1,020 people in Sherbrooke, Toronto and Calgary—far too few in my estimation. The first survey revealed strong opposition of 46 per cent and weak support of 50 per cent. In the second survey, they let it be known that the federal government would save $250 million over 20 years. The government's project then received the approval of 80 per cent of respondents.

Clearly the Royal Canadian Mint wanted immediate public support for the introduction of a $2 coin. Further on in the report, we note that some survey respondents felt that any saving made by introducing a $2 coin would be offset by the start up costs of producing the new coin and that jobs would be lost in the pulp and paper industry as a result.

The government report also indicates, and I quote: "The introduction of the $1 coin was accompanied by increased use of the $2 bill, indicating that the public might resist the introduction of a $2 coin".

Given that the trial coin chosen for the new $2 coin is heavier and larger than the loonie, I am sure the public will not support the introduction of such a coin.

Here is a surprising point about the survey questions. At no point did the Environics survey include a question about completely eliminating the $2 denomination. It is a bit odd, is it not? Instead of introducing a $2 coin, the federal government should simply eliminate the bill and the $2 denomination and encourage people to use the loonie more.

Many countries, such as the United States and Great Britain, have never had a $2 denomination or have simply done away with it. So, we can certainly do without it.

This is how the federal government could make real savings. There would be no new coin to strike nor new bills to print for the Royal Canadian Mint. There would be no expense for retailers. And, finally, better use would be made of the $1 coins. The Canadian Bankers' Association speaking on behalf of the financial institutions, has reached the same conclusion. What is more, many retailers' and consumers' associations have no official position on Bill C–82, quite simply because they do not know the government is preparing to introduce a $2 coin. They have heard nothing about it and are surprised to discover that the bill has gone so far.

• (1615)

Once again, the government seems to be trying to pull the wool over our eyes, if I may say so. If it had really wanted to take the pulse of the nation, it would have launched an information campaign on the possibility of legislating the replacement of the $2 bill by a $2 coin. The response to such proposed legislation would certainly have been negative. People are still having a hard time accepting the loonie, and eight years later, the government wants to burden their pockets with yet another coin.

Contrary to what the parliamentary secretary to the Minister of Public Works and Government Services would have had us believe, last week, the $1 coin is not as popular as the government would like it to be. The proof is that more than 50 million $1 coins lay dormant in the vaults of Canadian banks. According to its own management, the Royal Canadian Mint must manufacture 1.25 times more $1 coins than it did $1 bills, because people empty their pockets, stockpile the coins at home, and then deposit them inn their bank or credit union account. It is estimated that there are around $10 million worth of $1 coins in Canadians' piggy banks. This is really incredible. Subsequently, financial institutions must store these coins in their vaults. I have trouble imagining the amount of space necessary to store all these coins and the personnel required to handle this job.

Moreover, I would like to point out to my colleagues that financial institutions do not earn interest on the coins they have in their vaults, which translates into lost revenues for them, and that they cannot return them to the Bank of Canada. It does not take back uncirculated coins, and banks and credit unions will have to manage their own stock of coins.

Although the government is anticipating savings of $250 million over 20 years, one should not forget that there are costs associated with the introduction of this new coin. We only have to think of all the cash registers, the vending machines, the parking meters, and the laundromat machines, and other automated dispensers of all kinds which will have to be modified in order to accept this new coin.

The government estimates that it will cost $25 million to modify vending machines. Owners, for their part, will have had to modify their machines twice in less than 10 years since, as you may recall, the federal government introduced the $1 coin—also known as the loonie—eight years ago. And if that was not enough, the government now wants to alter the composition of the penny, the nickel, the dime, the quarter and the fifty cent coin to make them lighter. This will entail the additional cost of altering vending machines so that they can take all Canadian coins whatever their composition. In addition, the alloy used for the penny would be of much lower quality than the current version. This will result in premature rusting of the coin.

Who will pay for all these changes? You and I, Mr. Speaker, along with all Quebecers and Canadians. The items now available for $1.75 or $1.90 from vending machines will cost $2 tomorrow, as happened after the $1 coin was introduced, when the cost of items formerly priced at 80 or 90 cents quickly rose to $1. This point was also raised by the people polled by Environics. As usual, the government passes the cost of the changes on to retailers, who can only pass it on to their customers.

• (1620)

In conclusion, I suggest that the federal government should launch a publicity campaign aimed at finding out the opinion of the Canadian people on this issue. However, the government must play fair and promote all possible alternatives, that is, to issue a new $2 coin, keep the $2 bill or simply eliminate the $2 denomination.

I am sure that, in the end, the people would choose to abolish the $2 denomination in order to achieve greater savings in the short, medium and long term. Finally, with the developments in debit card technology, people will see a gradual reduction in the number of bills and coins in circulation, as they are being replaced with electronic money.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I listened carefully to what my hon. colleague from Charlevoix said, and I note that he recognizes that substantial savings, to the tune of $250 million, will be made.

Must I point out at this time that, if this measure were also applied to the penny, nickel, dime, quarter and 50 cent coin, we would save an extra $500 million? That is a rather significant amount.

I must say that the technological know–how gained while producing this new $2 coin will certainly be used in the future for other Canadian coins and, as a bonus, we can export this technology anywhere in the world for a profit.

Although my hon. colleague from Charlevoix did not refer to it specifically, I would like to address the initial remarks made by the public works critic, my hon. colleague for Québec–Est, who put forward extremely alarmist figures in his remarks, stating that it would cost coin–operated vending machine operators approximately $400 million to adjust to the introduction of the new $2 coin. I am sure that my hon. colleague from Charlevoix, who just spoke in support of his colleague from Québec–Est, will be able to explain to this House and to all Canadians where this $400 million figure comes from, so as to not scare people needlessly.

Vending machine operators will have a full year after this bill receives royal assent to adjust. Even then, they will not be required to do so. We must always bear in mind that any vending machine operator who decides to raise his prices will have to hold up to the competition.

I would like my hon. colleague from Charlevoix to comment on these two points, explaining where this $400 million figure comes from and whether competition should continue to come into play with respect to vending machines.

Mr. Asselin: Mr. Speaker, first, it goes without saying that we support the idea of saving money; the government mentioned the figure of $250 million over a 20–year period by replacing two dollar bills with two dollar coins. True, the coin would last much longer; but there are costs involved in issuing such a new coin. The government does not need to issue another coin; it should simply abolish that denomination.

If the two dollar bill is replaced by a two dollar coin, it will result in savings of $250 million over 20 years, but how much would be saved if we issued more two dollar bills?

In reference to the figure of $400 million mentioned in the speech made on Friday by the Bloc critic, the hon. member for Québec–Est, Jean–Paul Marchand, it may be that I am missing some element, but I said that, in my opinion, it would be possible to save $25 million, in the short term.

I challenge anyone in this House to tell me just how much, give or take two dollars, it would cost the municipalities to make the necessary changes to their parking meters, not to mention such other items as vending machines. What would be the costs of such changes?

• (1625)

I doubt anyone here can provide such an accurate figure. However, before passing such legislation, we have to take a look at the costs involved for those who own vending machines. These costs will also be passed on to consumers. Indeed, consumers always end up footing the bill.

In conclusion, the government should seriously consider abolishing the two dollar denomination. This would help circulate the $10 billion in one dollar coins which are currently unused and kept in Canadian banks. The minute people have a couple of one dollar coins in their pocket, they exchange them for a two dollar bill, because they find these coins to be cumbersome.

Indeed, when we have a few of these coins, we quickly exchange them for bills. Consequently, if you add an even heavier and more cumbersome two dollar coin, you will create a problem for everyone, and that becomes a real nuisance.

[*English*]

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, I listened with interest to the hon. member. It would seem to me that if someone gets $4 in change, four loonies would certainly be heavier than two $2 coins, so I am having difficulty understanding that argument.

Has the hon. member taken into consideration in any of his numbers the value of the new technology and the advantages we as Canadians could receive from exporting such technology?

[*Translation*]

Mr. Asselin: Mr. Speaker, I explained that earlier. Consumers are turning increasingly to electronic money, to cards from various financial institutions. We must get used to this technology. But I think that the purpose of today's debate is not to determine whether four loonies weigh more than two $2 coins. Let us get real.

We are ready to help the government reduce the deficit, and we are ready to eliminate the $2 denomination, and I am convinced that, in the interest of eliminating the deficit, the Canadian public will certainly agree. The loonie which was put into circulation eight years ago, can be used for a much longer period of time that the dollar bill it replaced. If we did away with the $2 denomination, the loonie could be used more effectively.

The United States and Great Britain have eliminated the $1 coin and the $2 bill and the two pound note. Let us follow their lead and we might save even more that what we are now contemplating. The government just decided one day to issue a $2 bill and today finds itself wondering whether this denomination continues to serve any purpose.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I would like to congratulate my colleague for Charlevoix for taking such a responsible stance. He demonstrated, for example, that we in this House are reduced to discussing bills of this kind which are of little or no importance. This bill does not really create savings, will actually cost consumers money and, to top it off, does not even create any jobs. I agree that we should use more of our time to debate bills that are much more serious than this one.

I would also like to ask my colleague, if you will allow me Mr. Speaker, if in effect he can see any good in this bill? Regarding

the $400 million he mentioned, we calculated that business people are going to have to buy new cash registers, that municipalities may have to install new parking meters and that all vending machines will have to be recalibrated and changed. This will cost the private sector a lot of money and consumers will ultimately foot the bill.

• (1630)

The consumer will be the one who pays. In fact, the only party that this bill will help is the Royal Canadian Mint. So I ask my colleague for Charlevoix if he can see anything good about this bill.

Mr. Asselin: Mr. Speaker, I would like to thank the hon. member for Québec–Est for his question. It has enabled me to digress and say that, this afternoon, I felt I was wasting my time in the House. I would have preferred to be in the riding of Charlevoix, working with the people there who are threatened with losing their jobs and who will be declared redundant as the result of the Axworthy reform.

I think we are wasting our time discussing such a trivial matter as the introduction of a $2 coin. We are not talking about the real problems of the economy. We are going to create problems. The purpose of government is to resolve problems, not to create them.

I am a bit embarrassed knowing that, in my riding of Charlevoix, the unemployed have mobilized to combat the Axworthy reform. Some of them are now on welfare. As I was saying, as far as paying for groceries is concerned, it makes little difference whether $2 is a bill or a coin; the main thing is to have some money. People are willing to work to earn some money.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, to start with, I would like to tell my colleague from Charlevoix that I am in complete agreement with him, especially on what he said in the conclusion of his speech. Not knowing that he would talk in the House about the workers in Charlevoix, and the relevance of the $2 coin, I will start my speech this way.

I was pleasantly surprised to hear that the Liberals had given in to the joint demands of the Bloc and of the Reform Party and agreed to an emergency debate on Bosnia, but not before this evening. In spite of the fact that 326 hostages, including 55 Canadians, are being held in Bosnia, that we have learned that the head of Bosnian diplomacy was killed yesterday, that the conflict has led to 200,000 deaths, that the Reform Party and the Bloc Quebecois are asking for an emergency debate to be held immediately on a matter of extreme urgency, we are told that there are too many emergencies, too many important debates, such as this one on the $2 coin.

We now know what the priorities of our colleagues opposite are. Canadians soldiers and UN troops have to take a back seat to the debate on the relevance of the $2 coin. In this context, I will be pleased to spend a few minutes discussing whether the $2 bill should be maintained or withdrawn from currency.

First, I would be pleased to provide you with a few facts and figures. Today, in Canada, it costs around $30 million a year to produce, print and issue $2 bills. They have approximately a one year life expectancy, some do not last as long, but the average life expectancy is around one year; as I said, the total cost of producing $2 bills is approximately $30 million.

So, we question and rightfully so—the thinkers and mandarins are probably conducting studies on the subject and they will spend tens of thousands of dollars, maybe millions—whether we should continue this great Canadian tradition of a $2 bill with the Queen's effigy.

A $2 coin could save $250 million over a 20–year period. Therefore, many Canadians will say: "Down with the $2 bill and up with the $2 coin which will make us save $250 million over 20 years". A simple decision.

However, we should go a little deeper and look at more rational arguments. Earlier we were talking about technology. If we do not proceed with a $2 coin will we still have nickels, dimes, quarters and loonies? Why not apply technology to this? Do not try to make us believe in a lot of things which make no sense.

First of all, the Royal Canadian Mint and it alone will save money, not you and me, not the taxpayers, not the merchants and certainly not the people operating vending machines.

• (1635)

There was no lobbying from vending machine manufacturers because the whole thing was obvious. We had estimations based on the same principle as the figures given to us earlier. As the member for Charlevoix said, it is estimated that the $2 coin will necessarily cost vending machine manufacturers around $300 million.

This is an estimate just as our colleagues opposite used the word "estimated" to say that there will be savings of around $250 million. Why an estimate? Because there has been no serious study on a change like the introduction of a $2 coin.

Therefore, I and the Bloc Quebecois propose to abolish the $2 bill or at least to undertake a serious study showing the real savings that could result from the replacement of the $2 bill with a $2 coin.

While bringing these changes to the Canadian monetary system we could take the opportunity to abolish the penny, which costs one and a half cents to produce. There are presently an estimated 10 billion of those coins in circulation. Ten billion one cent coins which cost one and a half cents each to produce. It is important to repeat it. Lets put an end to that waste by eliminating the one cent coin and the two dollar bill. For once the government could recover that money, that is tens of

millions of dollars a year, and put it clearly and totally into a definite policy designed to create jobs and help the poor.

Tens of millions of dollars, even billions of dollars, are currently being cut in transfer payments to provinces and systems such as these will be allowed to continue.

What we are saying is that we will save tens of millions of dollars by abolishing the $2 bills, but instead of losing this amount in overall public spending, we should develop a good framework and put in place a specific program of job creation or assistance to poor people.

In view of the current economic and social situation, we have neither the right nor the means to invest funds in areas such as these, when thousands of our fellow citizens live below the poverty line and destitute people are knocking at our doors every day.

To quote only one example, a lady came to my riding office. This 62–year old lady cannot get old age benefits from the federal government and does not have any salary insurance because she never had a job. Many women of her generation stayed at home, so they are not eligible for salary insurance. So, this woman is getting welfare payments of $642 a month. She came to me asking: "Is there a solution to my problem?" Situations such as these, how many dozens are there in my riding, how many thousands are there in Quebec and in Canada? And here we are discussing changing $2 coins for paper bills. As my colleague for Charlevoix was saying earlier, I think that it is a shame to brag about such things in the House.

Do not tell me that the government has no other possibility or place to spend the savings that could be made, to help people like that woman or thousands of others in our ridings, rather than perpetuating a timeworn system or replace it with a system just as inappropriate, because the $2 coin would be inappropriate. Our American neighbours have no $2 bill, and they are not any worse off for it. The same can be said of other countries. It is a very easy system to understand.

The Royal Canadian Mint—someone talked earlier about the Royal Quebec Mint but there is no such thing—says its position is based on a survey. Before we go to the questions and comments period, it is important to put this survey in its true context. This survey was biased because of the questions it contained. You will ask how it was biased. Simply because it asked people if they were in favour of keeping the $2 bill or if they preferred to save tens of millions of dollars. People were never asked if they were in favour of abolishing the $2 denomination, because the answer was known already. Quebecers are used to biased surveys. They have seen many of them in the past.

People never had a chance to ask themselves if they were for or against the abolition of the $2 denomination. I am convinced that we cannot allow such a waste of public and private money at a time when our society faces serious problems and our country is sick.

• (1640)

My speech is a drop in the ocean of words spoken in this House on this debate. However, it is through such savings that we must show our concern for the population. If we wish to restore people's confidence in politics, politicians and the House of Commons, minor debates that may not seem very important can enable us to save tens of millions of dollars per year, as we have seen in this case, perhaps even hundreds of millions of dollars with one cent coins and two dollar bills, in order to ensure proper redistribution among our businesses, create jobs and help the disadvantaged, as I said earlier.

Concrete examples such as those I just listed would allow us to save millions of dollars and hopefully create thousands of jobs.

In closing, simply eliminating the $2 denomination would save some $30 million a year and the one cent coin, several millions of dollars. In addition, except for children with piggy banks, everyone would be happy not to have these coins in their pockets.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have a very simple question to ask my hon. colleague for Terrebonne. He nevertheless recognizes that rather substantial savings will be made, to the tune of $250 million. I would like to say a few words about the metal content of the new coin. It will be made of copper, aluminum and nickel. Would it be more acceptable to the Bloc members if the base material for this coin came from Quebec?

Mr. Sauvageau: Let me just say this to my hon. colleague that I do not know the periodical chart by heart; perhaps a chocolate coin wrapped in gold foil would be better. Seriously, our point is that the $2 coin your are proposing makes no sense. The people of Canada know it. Content—whether nickel, plutonium or what not—is not the issue, but rather the basis or rationale for this bill. Tell me which clause deals with coin alloys in the bill before us, then I will take your question seriously.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(*a*), the recorded division on this motion stands deferred until 5.30 p.m. tomorrow.

* * *

[*English*]

AGREEMENT ON INTERNAL TRADE IMPLEMENTATION ACT

The House resumed from May 15 consideration of the motion that Bill C–88, an act to implement the agreement on internal trade, be read the second time and referred to a committee.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, this afternoon I will finish the speech I started a couple of weeks ago on Bill C–88, an act to implement an agreement on internal trade.

Just to set the stage, Bill C–88 is like Bill C–85, which is the bill dealing with pension reform. There is a lot more fluff than real substance in this bill. Indeed it is another failure to deal with the serious problems that we have in Canada.

Past federal governments have preoccupied themselves with provincial concerns such as social programs. They have spent time rewriting our Constitution over and over while failing to live by the one already in place. They have stepped on provinces, taken their resource revenues and used them to fund their grant infrastructure projects, but they have not enforced the constitutional provisions which require free trade among provinces.

• (1645)

The federal government has also been and continues to be the instigator or accomplice in a number of interprovincial barriers. Because of various fiscal transfer programs such as regional development and block funding, Ottawa manages to hide the true costs to provincial residents of the barriers their provinces have erected.

If jobs are killed in one province due to barriers, then federal welfare dollars and federal grants to inefficient business help to alleviate the fiscal pain that a province would otherwise suffer. In fact, the more inefficient a province is, the more it is compensated by Ottawa. There is no incentive here for a province to correct its mistakes.

Ottawa also inhibits the free movement of labour. The unemployment insurance scheme the Liberals so cherish has provided incentives for the unemployed to remain in place rather than moving to regions where jobs are more plentiful. This is indisputably borne out by the facts.

For example, our Atlantic provinces continue to suffer from chronic higher unemployment than the rest of the country. This is due in most part to the incentive provided by unemployment insurance for the unemployed to remain in place. The problem is especially severe because in regions that do not fare worse than others, the federal government has increased the benefits available, sinking those who use the benefits further into dependency on the government.

We have been hearing for a long time now about social program reform and the wonderful job our human resources development minister is doing, but we have yet to see meaningful changes to the system that will actually give a hand up to Canadians rather than just a hand out. When this happens, consumers will see more clearly that certain provincial policies have worked to their detriment and that eliminating barriers is in everyone's best interests.

It is long past time for the federal government to take leadership on these issues. This problem is costing the economy billions of dollars and thousands of jobs. Yes, the Liberals were given a mandate to govern using the methods they find most appropriate, but this was based on a series of promised outcomes contained in the red book, most of which have been broken.

The red ink book promised: "A Liberal government will be committed to the elimination of interprovincial trade barriers within Canada and will address this issue urgently". Where is the elimination of trade barriers which was so clearly promised in the election rhetoric? Yes, it looks fairly certain that a few barriers may be reduced with this agreement but as I have already pointed out, new barriers could also arise.

We are a long, long way from barrier elimination. Based on the current pace of progress, we are not going to see this promise fulfilled by the next election. This is the time the Canadian people will have an opportunity to judge these Liberals for their failure to keep their promises. By then the Liberal inaction will have cost billions more dollars and will have prevented thousands of Canadians on the welfare and unemployment lists from finding meaningful employment.

Reformers have the policies and the people to implement a Canada–wide free trade plan. If the Liberals will not do this, then I believe the Canadian people will give Reformers the mandate to do it.

What are the problems I am talking about? Where are the barriers today? Obviously, I am not going to list each of the several hundred, but I would like to mention a few major barriers that must come down quickly.

The first barrier which comes to mind is one that has a large effect on employment in my riding. There is a modern brewery in Simcoe Centre that employs hundreds of Canadians. Over the years this brewery could have employed more people, expanded its operations and even become efficient enough to compete with major American brewers. This did not happen because its market has been restricted by trade walls erected by provinces, including Ontario, in an attempt to protect their local brewers.

The protectionism that insulated and sustained these inefficient brewers for so long will now be the death of many of them. International trade pressures are already forcing smaller, inefficient breweries out of business. Brewing is a $9.6 billion retail industry in Canada so even small reductions in production costs due to greater economies of scale will produce better prices for consumers and a more competitive economy.

To their credit, some brewers have taken the initiative and have used our external free trade agreements to their benefit. As a result, it is now easier to find certain New Brunswick brands of beer on store shelves in San Antonio and Los Angeles than it is to find them in Toronto or Montreal. It saddens me that this is the current twisted reality.

• (1650)

Unfortunately, the success story I just described has a downside at least for those breweries that are not ready to compete. American brewers are gaining more and more access to our domestic beer market through GATT, NAFTA and free trade and will force out those who cannot compete.

As an example, a single brewery in Colorado Springs, Colorado produces all the beer under a particular label for the entire United States market, a market of 250 million people. The facility is so large it ships bulk product 3,000 kilometres to Virginia for canning. Then it is distributed up and down the east coast of the United States. How can we expect breweries that produce only enough product for a few hundred thousand consumers to remain in business? It is difficult to compete with that economy of scale.

I believe Canadians wish to see these impediments to freedom done away with and receive the most efficient and economic value possible for their hard earned wages. Beer is such an obvious area of concern for consumers that I was amazed to learn the industry had been exempted from the provincial agreement altogether. We need to focus serious efforts in this area or risk losing thousands more jobs in an increasingly competitive world.

Another barrier of major importance that must be dealt with quickly is the barrier each province erects when conducting its own government procurement. The provinces have a long history of purchasing from within their own borders regardless of cost. This raises the cost of purchasing.

According to the Consumers' Association of Canada some provinces pay up to 10 per cent more for local products, which in turn raises government expenditure and taxes. It also costs jobs in other provinces because the most efficient producers cannot sell outside their own provinces. Some jobs may be protected locally but just like the brewing industry, these local producers are insulated and inefficient.

The higher taxes affect all Canadians and cost more jobs in total than attempting to protect the local industry they will save.

One writer on economics remarked 200 years ago: "It is the maxim of every prudent master of a family never to attempt to make at home what it will cost him more to make than to buy. The tailor does not attempt to make his own shoes, but buys them from the shoemaker. The shoemaker does not attempt to make his own clothes, but employs a tailor. The farmer attempts to make neither the one nor the other, but employs those who can.

"All of them find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbours, and to purchase with part of its produce, whatever else they have occasion for. What is prudence in the conduct of every private family can scarce be folly in that of a great kingdom".

Adam Smith wrote that in *The Wealth of Nations*. Yet it would seem that centuries later our brilliant political elite has not yet been able to grasp this simple truth.

The industry minister attempted to achieve a deal on the issue of government procurement but due to the shortsightedness of some provinces their agreement was window dressing only. Crown corporations which do much of the procurement in question are completely exempt from this arrangement. With all the exemptions available elsewhere in the agreement it is unclear if there will be any meaningful improvement in government procurement either.

It is important that we make it a high priority to get the provinces back to the table and to remove these barriers to competitiveness. Interprovincial barriers to trade and financial services create once again a higher cost to consumers, cost financial institutions their competitive position and cost Canadians jobs.

This also affects another major employer of my riding, a trust company which finds restrictions on selling its services outside Ontario. Conversely, trusts from outside Ontario also find difficult and expensive barriers to entry to the Ontario financial markets.

Trust companies find barriers to trade in the different regulations each province sets up. A highest common denominator approach must be taken to selling services in more than one market, thereby increasing costs. A standard set of regulations for all provinces would eliminate administrative overhead,

would produce more competitiveness, would lower costs for consumers and ultimately would create more jobs.

A further barrier to trade is the restriction placed on various types of labour mobility between provinces. This is a particular concern to an area such as Ottawa–Hull which straddles a provincial boundary but it still affects other Canadians in serious ways.

• (1655)

Many of us are familiar with the dispute which erupted last year between Ontario and Quebec on the issue of construction. It was one of many trade barriers which prevented professionals and labourers from offering their services across Canada. It meant that competition was reduced and it resulted in higher costs and taxes for consumers. Fortunately, Ontario and Quebec managed to resolve their differences on this single issue to the benefit of both.

That deal is the exception rather than the rule. It is time for us to dispense with these issues once and for all. For generations we have allowed the inefficiencies of small, protected, regional markets in many goods and services to constrict the economy, hurt our political and cultural objectives and cost us jobs.

Labour mobility is an area of trade which has been opened up between Canada and the United States under the free trade agreement. Once again as with beer, professionals such as accountants and engineers can more easily ply their trade between Ontario and the American states than they can between Ontario and Quebec. If we are to remain a developed country we must keep on developing our resources, especially our human resources, or risk losing them to more developed countries.

It is important to look at other examples of trade arrangements to determine what is best for us. The United States is a good example of a country where wide open commerce between jurisdictions negotiated and enforced by a national government has led to greater prosperity for the whole nation. Barriers were challenged and eliminated in the United States early in the history of the country and it has prospered ever since. The previous example of the Colorado brewery is a good example of the reason that Canadians need the same freedoms.

In Canada we have spent great energy concentrating on our external trading relationships which account for 25 per cent of our economy. The Americans count on exports for only 8 per cent of their economy and yet are a far more prosperous nation. There is certainly a message for Canada in this. We must become more focused on reducing barriers when it comes to domestic trade.

The European Union is a modern day example of a trading relationship which has sprung out of the realization that free trade benefits everyone regardless of language or region. There are some real lessons for Canadians in this. The European Union has not only established free trade in goods, produce and capital, but also has free trade in labour as well. The citizens of any European country now have the right to work in any other European country. Because labour was made more transferable, common certification had to be implemented in a number of areas.

While the system has not achieved perfection yet, it is an improvement in the lives of all citizens. Surely if Europeans of different languages and ethnic backgrounds can achieve such an agreement over the borders of nations, then Canadians must be able to resolve the few differences which exist between provinces.

In present day Canada there is over $146 billion worth of trade between the provinces. There are also at least 500 barriers to interprovincial trade in Canada and each one costs jobs, money, growth and competitiveness which has hurt all Canadians directly. They are forced to pay higher prices for products such as eggs, milk, beer and financial services. They have to pay higher taxes in order that the provincial government can favour inefficient local producers over best value for money producers elsewhere.

These barriers are a problem which can be solved unilaterally in many cases by a determined federal government. Even small improvements in reducing barriers can mean big gains for the country. It is time for us to get serious about dealing with them.

Reformers have written policies on these issues. I will share them with the House.

The Reform Party supports the removal of interprovincial barriers to trade through agreements which include trade dispute settlement mechanisms among the provinces. Should the provinces fail to co–operate in the removal of interprovincial trade barriers, the Reform Party supports constitutional challenges to such impediments wherever possible.

I believe this statement is self–explanatory and I mentioned earlier that Reformers have a plan to deal with trade barriers. It is the constitutional law already set in place to deal with exactly such problems.

Section 121 of the British North America Act states: "All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces". Also, section 91 of the British North America Act states: "The exclusive legislative authority of the Parliament of Canada extends to the regulation of trade and commerce".

• (1700)

It is obvious from these two sections that interprovincial trade is an exclusive federal jurisdiction and the provinces are violating the intent of the Constitution when they erect barriers to trade. A Reform government would do everything necessary to enforce these constitutional principles.

The industry minister stated, after signing the deal last July, that: "Our governments have achieved this voluntarily, not through arbitrary and contentious attempts to use federal powers or other forms of coercion". This statement underlines the fundamental difference between Liberals and Reformers. Liberals, always anxious never to rock the boat or step on any toes, are happy with tiny steps or even stepping backward if they think they can put a good face on it.

Reformers are much more interested in dealing with reality and solving problems. It is plain to see that the provinces are violating the intent of the Constitution. In the best interest of all Canadians, Reformers wish to see the situation rectified. If this means using some federal power or coercion to see fundamental constitutional law complied with, then so be it.

The Canadian Charter of Rights and Freedoms, also a constitutional appendix, states:

> Every citizen or permanent resident of Canada has the right to move to and take up residence in any province and to pursue the gaining of a livelihood in any province.

This right has been successfully used in court challenges to strike down provincial laws that prevent professionals from working in different jurisdictions. Most notable was the case of a New Brunswick accountant who wished to conduct some affairs in P.E.I. Because island law prohibited him from working there, he took P.E.I. to court and won, based on his charter mobility right.

Reformers support the free movement of labour across provincial borders. We believe the government must work quickly to ensure that these goals are achieved.

In analysing the facts, it is all very well and good to say that Canadians have these rights, but what businessman has the time, money and patience to pursue court cases in every jurisdiction just so he can go to work? This has to be recognized as an impediment to the free flow of labour and it is past time for the provinces to remove these impediments. They have significantly added to the cost of doing business and have deterred new business. We benefit our American cousins when we abuse our own citizenry. Many now look south to expand because the walls east and west in Canada are too high to climb over.

Governments, not private citizens, have the responsibility to deal with these issues and to do so urgently, as the industry minister stated.

Reformers find themselves unable to support a bill that lends credibility to the first ministers' failure of last summer. We demand that the federal government enforce the Constitution which contains the necessary authority to allow free trade between the provinces, especially section 121, section 91 and the charter mobility right and to do everything in its power to ensure that all provincial barriers are eliminated.

We also demand that federal programs that compensate for provincial barriers by redistributing wealth and programs that inhibit the free trade of labour be eliminated.

The bottom line is that interprovincial trade barriers mean lost jobs for Canadians, higher taxes and product costs, and a less competitive economy with which to face the world.

As I said at the opening of my remarks, Bill C–88, approving the trade agreement in its present form is a major disappointment for two major reasons. The first is that it fails to give Canadians a golden opportunity to create the thousands of jobs so desperately needed today.

The second and perhaps more important reason is that it is another broken red book promise. This is at a time when all of us here should be doing all we can to restore that lost trust between voters and the politicians. Another lost opportunity, another step backward.

For all the reasons stated, I move:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> That this House declines to give second reading to Bill C–88, an act to implement the agreement on internal trade because it fails to eliminate all interprovincial trade barriers.

• (1705)

The Deputy Speaker: The amendment of the member for Simcoe Centre is receivable.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, I am very pleased to participate in the debate on this very important bill, which has almost gone unnoticed and has the potential to alter the very basis of internal trade in Canada. That is why I welcome this opportunity to speak on Bill C–88, an act to implement the Agreement on Internal Trade.

We will recall that this agreement is the fruit of very difficult, very strenuous negotiations that went on from 1987 to July 1994, less than a year ago, when 11 governments, together with the governments of the Yukon and the Northwest Territories, finally came to an agreement. The purpose of the agreement was obviously to enter into some kind of domestic free trade agreement for Canada.

This agreement affects 11 main fields of economic activity, which I shall list for the sake of clarity. These fields of activity are as follows: government procurement, investments, work

force mobility, consumer standards, agri–food production, alcoholic beverages, natural resources processing, communications, transportation, energy and environmental protection.

At this stage, I want to tell this House that the Bloc Quebecois, as the official opposition, is for internal trade and, in that sense, supports the bill. On the other hand, the Bloc Quebecois flatly rejects the role, powers and importance the federal government gives itself in this bill. And this is what we will be illustrating.

We disagree with this bill in three regards: first, the context in which this bill was introduced; second, the actual wording of clause 9, which is the main clause in Bill C–88; and third, the rationale behind clause 9.

First, with respect to the context in which Bill C–88 was presented, it is very shocking as it exemplifies this government's logic, its habit of making decisions without prior consultation with the provinces, preferring to do things on the sly, while at the same time having no mandate to do so. We learned from a reliable source that, at the last meeting of the federal and provincial ministers responsible for internal trade in Canada, which was held on April 10, 1995 in Calgary, the federal government never stated its intention and never received from the parties the mandate to do what is being proposed today.

Second point with respect to the context, although the parties agreed that the dispute settlement mechanism, which is often the stumbling block in this type of agreement, should be based on the good faith of the parties and not on judicial procedures, that is what the federal government chose to do, again without consulting anyone. It chose the judicial route through clause 9, to which I will come back in a moment.

Finally, still as regards the context, this bill shows how the federal government sees its role in internal trade and gives itself the power to interfere in interprovincial disputes, although this power is not granted anywhere in the agreement.

• (1710)

I now come to clause 9 which, as I said earlier, is the cornerstone of this bill. I will read it to you because it is worth reading. I can assure you that this clause will soon change the way this country is run. Through clause 9, the federal government gives itself the following powers:

> 9.(1) For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following:
>
> (*a*) suspend rights or privileges granted by the government of Canada to the province under the Agreement or any federal law;
>
> (*b*) modify or suspend the application of any federal law with respect to the province;
>
> (*c*) extend the application of any federal law to the province; and;
>
> (*d*) take any other measure that the Governor in Council considers necessary.
>
> (2) In this section, "federal law" means the whole or any portion of any Act of Parliament or any regulation, order or other instrument issued, made or established in the exercise of a power conferred by or under an Act of Parliament.

Two phrases are worthy of note: "by order" and "pursuant to Article 1710 of the Agreement". I will look at this clause more closely with the emphasis on the words "by order".

Therefore, the governor in council may, "by order", suspend benefits or impose retaliatory measures of equivalent effect against a province. "By order" means that, without consultation, debate, or resolution of the House of Commons, the rights or privileges granted by the Government of Canada to said province at fault may be suspended under the agreement or a federal law.

The governor in council may, "by order", modify or suspend the application of any federal law with respect to the province. The governor in council may, "by order", extend the application of any federal law to the province. And, as if this were not enough, the federal government may, again without any mandate, "by order", take any other measure considered necessary.

This is why Premier Parizeau referred to this as a trade war measure. This is quite a statement, considering it comes from the Premier of Quebec.

There is also the reference "pursuant to Article 1710". Let me read you quickly the provision which, I feel, is the most important one of the 13 paragraphs of Article 1710.

Paragraph 7 reads:

> In considering what benefits to suspend, or retaliatory measures to impose, the complaining Party shall:
>
> (*a*) suspend benefits or impose measures in the same sector as the measure found to be in violation of the Agreement; and
>
> (*b*) only if such suspension or imposition would be impracticable or ineffective, suspend benefits or impose retaliatory measures in other sectors covered by the Agreement.

We are referring to Article 1710 which implies that, if there is a problem with manpower mobility, and if it is not possible to impose a similar retaliatory measure against the province at fault, it is implied that retaliatory measures could be taken regarding natural resources, communications or investment, for example. This is what is provided.

It must be pointed out that this whole agreement, and particularly Article 1710, is very vague as regards the role of the federal government. Can the government intervene in a dispute between two provinces, once it is determined which province is at fault? This is not at all clear in the agreement as it is worded.

Given our Canadian history, we know how much the federal government resents any vacuum.

• (1715)

Now, we are faced with a legal vacuum. We know how much the federal government abhors a vacuum. Given the way it has used its spending and residual powers in the past, we can count on the federal government to take full advantage of vague wording in the bill. As a matter of fact, it just took the necessary means to be able to interfere freely to have unruly provinces toe the line.

Reactions have been quite interesting. The Minister of Industry, who is the minister responsible under the act, said that the official opposition's reaction is paranoid and that our remarks are weird. However, Manon Cornellier, who has been following this issue for years, questioned two officials of the internal trade secretariat, Mr. Lecherson and Mr. Knox, hours after the tabling of the bill.

Mr. Lecherson is a senior strategy advisor. When asked about the scope of the bill and its compliance with the intent of the agreement and the scope of the bill, he said: "As a matter of fact, the bill goes further than the agreement itself". Mr. Knox, who is the executive director of the secretariat, said: "In theory, the government could take retaliatory measures deemed appropriate in any sector, but that is very unlikely. They would be basically economic measures".

Now, we are dealing here strictly with economic issues. These remarks suggest that the federal government would even target social programs in order to make an unruly province, Quebec for example, toe the line. That door has been opened, and that is why it seems legitimate to impute motives. Given the lack of openness of this government, we are justified in imputing motives.

There was an official reaction, and I want to quote paragraphs 3 and 4 of a letter Daniel Paillé, the Quebec Minister of Industry, Commerce, Science and Technology, sent to his Canadian counterpart, on May 10, 1995: "The government of Quebec thinks it is unacceptable, pursuant to a Canada–wide agreement where the federal government enters into a partnership with the other parties to an agreement and where the scope of action given to the various partners is well defined by chapter 17 of the agreement, that the federal government found it important to give itself such extended powers as those mentioned in clause 9 of the implementing bill. Therefore, the government of Quebec is opposed to this provision, which gives the federal government very extended powers that go beyond what is needed to implement the retaliatory measures provided for in chapter 17 of the agreement".

I think that is quite clear. We have to imagine what all this would mean in the normal course of events. Although a number of examples were given earlier, we could give some more in order to really show all the significance of the issue being underhandedly addressed here. For example, any province at fault could be denied federal subsidies. If Quebec, for instance, were to be found at fault in some hypothetical situation, Hydro Quebec could be prevented from selling its electricity to another province.

Natural gas shipments to a province at fault could be banned. This is a very serious issue. In terms of work force mobility, it could mean that workers from one province could be prevented from working in another province recognized as the party at fault in a dispute between these two provinces. These are powers the federal government is assuming, because nowhere in the agreement is it mentioned that Ottawa has to introduce such a bill.

This may not have been the government's intention, but if this bill is adopted in its present form, the federal government will be able to take such measures under clause 9, and that is what makes the situation so serious. Finally, we have reservations regarding the origin of clause 9. I was shocked when it was first drawn to my attention.

• (1720)

In fact, clause 9 is essentially identical to section 21 of NAFTA except for certain references to the fact that the latter is an international agreement. What the government did in clause 9 is to replace the word "country" that is found in section 21 by the word "province". As far as I am concerned, there is no better example of a lazy or careless government.

It seems too easy to copy almost word for word such an important document because the problems are different and the relationships that exist between sovereign countries are not similar to the ones that can exist between a central government and its provincial counterparts. I find it rather astounding that the government would take the liberty of just changing the word "country" for the word "province" while taking the opportunity to give itself enormous powers.

Perhaps there are visionaries in the Langevin Block—which is not impossible—who saw that there will soon be a need for an international treaty between the Government of Canada and the Government of Quebec and who thought that it would be better to save some time, money and energy and recognize immediately, in a rather subtle way, that Quebec would be party to an international agreement because the day is coming when Quebecers will have to deal officially at the international level with Canada as well as with the United States and other countries. This goes with the Bloc Quebecois's recent suggestion that there must be an economic association, that the closest ties must be maintained and that we must be good neighbours.

In closing, I think that clause 9 must be amended so as to reflect the spirit of the agreement and to limit the federal

government's intervention as an injured party, otherwise Bill C–88 is likely to create problems instead of solving them.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, it is a pleasure to rise today to debate Bill C–88, the implementing legislation for the supposed internal trade agreement within Canada.

Of all of the bills that have come through the House in the past months this one is perhaps of more importance than many others. As my hon. colleague who spoke mentioned, it seems to have slipped through with very little interest on the part of the House and Canadians at large.

In my comments today I would like to spend a few minutes talking about what the trade barriers cost us as individuals. Also I am going to spend a good deal of time talking about the relationship between Quebec and the rest of the country. This is really what it boils down to. When our friends from Quebec talk about a relationship with the rest of the country, post separation, they are really talking about how they would keep all the benefits that we have together in this northern part of North America without shooting each other in the foot.

This has to be of paramount importance to the people of Quebec. They would not be very happy if they found themselves in an independent country, bankrupt and no one to trade with. Nor would the rest of Canadians find themselves in a very happy situation. I want to spend a few moments if I may to record exactly how important this trade is between Canada interprovincially, Canada nationally.

• (1725)

I am indebted for much of what I am going to say to the Fraser Institute and in particular—

Some hon. members: Oh, oh.

Mr. McClelland: Liberals opposite go into a state of shock when I mention the Fraser Institute. Also, by good fortune, the Canadian and Quebec Chambers of Commerce have just sent information to all members in the House. I will be quoting from both of those sources during the course of my comments.

A few of the Liberals opposite might recall that when the free trade agreement was implemented they were violently opposed to it. Am I remembering this correctly? Was that just a suspicion?

Mr. Milliken: Yes, yes.

Mr. McClelland: Yes, it is correct. I hear members opposite saying: "Yes, I can remember we were against the free trade agreement. We were violently against the free trade agreement". One of the reasons members opposite were against the free trade agreement at that time was that they were afraid we were going to get beat up by the Americans because we had fairly inefficient industries across the country.

For the longest time particularly the west suffered and were righteously aggrieved by the fact that the resource producing areas of the country, the west, the north and the east were subsidizing central Canada. We were exporting raw materials to central Canada and buying manufactured goods from central Canada at a sometimes severe tariff.

It cost us a lot of money to be Canadians. A lot of people, particularly in Ontario and Quebec, saw the free trade agreement as a vehicle whereby these barriers were reduced and came down. Canada found itself in a situation where it had to compete.

The free trade agreement was not so terrifying for other regions of the country. I can recall during the great free trade debate—I am sure members in the House can recall—we had high interest rates. Remember that? We had a high dollar. Remember that? We were going to go into a free trade agreement with one of the toughest trading nations in the world and we wonder why we got the stuffing kicked out of us. We had to be brain dead to have these interprovincial trade barriers all across the country, a high dollar, high interest rates and getting into a free trade agreement with the United States.

It was kind of like the Monty Python movie where the knight gets his arm cut off, his other arm cut off, puts his sword in his mouth, gets his legs cut off and says: "Come on, fight like a man". That was Canada after the free trade agreement. We were sitting there with a sword in our mouth saying: "Fight fair. Fight fair". We have a free trade agreement with the United States, but do we have a free trade agreement within Canada? No, we do not.

When the federal government sat down at a table to negotiate a free trade agreement, as we did with Mexico and the United States, we had three players around the table and all of the minions that made the deal work. Can members imagine what it must have been like when we had the federal government and 10 provinces sitting around the table trying to negotiate a free trade agreement?

The provinces varied. British Columbia had demands about an inch thick saying: "This is what we want. This is what we want to protect". The province of Alberta's demands were on one sheet of paper which said: "There should not be any barriers to trade. There should not be any barriers to the movement and the transportation of capital, of ideas and of people.

Ontario which had the most to lose in a free trade agreement in Canada because it controls the bulk of the trade was one of the most accommodating provinces at the debate. It was prepared in the national interest to have its internal trade barriers come down for the common good.

The reason that I am speaking against this legislation is not that it is not a step in the right direction.

• (1730)

The federal government in its role as the leader has the fiduciary responsibility when it comes to dealing with the economic affairs of the nation to take charge and say we need competitive industries in Canada. How can we possibly compete internationally if we are not first competitive at home?

How can we as a nation deal competitively with other nations if we do not first take down all of the barriers in Canada so we have free movement of trade, people, capital and ideas to become as efficient as we can before we start trading elsewhere? That is why it is so important to have all of these internal trade barriers done away with.

I will use as an example some of the daily problems that come up when we have trade barriers or distorting subsidies within the country. We know Quebec has been working very hard at developing export and increasing the export potential of industries based in Quebec. It has been fairly successful. I do not know the exact the numbers but Quebec has had a substantial increase in recent years of exports by Quebec based industries.

Let us say the Quebec government gives company A a subsidy in order to export outside the country but company A is manufacturing a product which is also manufactured in Ontario or British Columbia or Nova Scotia and they do not have subsidy. What happens when they both start to compete for same domestic customer? The company that has the $200,000 government tax funded subsidy wins and the company that does not have a subsidy loses because its costs are higher. That does absolutely nothing to enhance the competitiveness of our industries. All it does is reward industries that are perhaps failing, that are perhaps not as competitive as others at the expense of those businesses that can stand on their own.

That is one of the reasons governments should not be picking winners and losers in the marketplace, creating subsidies so one company in one province has a competitive advantage over another company in another province. All it does is move a job from A to B.

A while ago in the automobile industry a company in Brampton received a huge grant from the federal government to build a plant in Quebec. The people in Quebec would want it. The company would end up manufacturing the same number of cars. It would close the plant in Ontario, open a plant in Quebec, lay off 200 people in Ontario, hire 50 people in Quebec. It would cost the country 150 jobs in one province plus the infrastructure investment to build the plant in the second province.

If we as legislators, as a Parliament, are prepared to throw this money around, can we blame industry for saying it wants a piece of it? If we ourselves in business and we are competing against another business with the advantage of a government grant or subsidy, in order to stay in business we have to get our hands in the trough as well.

That is why we need to break down the barriers to capital. We need to break down the mobility barriers and we absolutely have to stop taking tax money into the government and picking winners and losers in the marketplace.

When we talk about interprovincial trade, historically if we look at what has gone on in Canada, where did the Bank of Nova Scotia start? Rhetorically I ask, did it have its head office in Toronto or Montreal? It was in Halifax. What happened in the trading arrangements or what happened in Canada that all of a sudden somehow the Bank of Nova Scotia's head office moves to Toronto? We have distorted interprovincial trade so that it has protected industries across the country.

• (1735)

The traditional trade at the time the Bank of Nova Scotia was incorporated was not east–west but north–south, just as the trading blocks all across the country traditionally have been. We artificially make them east and west. However, is it focuses all the financial resource and the competitive resource where most of the people are.

The same thing may happen in Canada today. We will continue to have this migration of wealth into the resource. When I say the resource rich I am talking about the vote rich parts of Canada, in downtown Toronto and Montreal, at the expense of the rest of the country unless we have this free mobility and free trade within all provinces.

I will put a few facts on record concerning trade between Quebec and the rest of the country. This is of particular importance because our friends from the Bloc, representing a good number of people in Quebec, are trying to put forth the premise that Quebec would be better off not attached to the rest of the country and the rest of the country would be better off not attached to Quebec.

We would survive. Those of us who live in the west would survive better than others but it would hurt all of us. Most of all, it would hurt the people who live in Quebec. We should not be so naive as to suggest for a moment that a separate Quebec would enjoy all or any of the privileges it enjoys today. It is certainly a long stretch to imagine the rest of the country would tell Quebec to go its way and we will continue to pretend nothing has happened and it is business as usual.

The premier of Quebec and other leaders in Quebec can say whatever they want to but it is important for the people in Quebec to know those leaders do not set the stage or make the

rules for the rest of the country. The rest of the country will bring an entirely and completely different perspective to that table.

I will quote from a pamphlet prepared by the Canadian Chamber of Commerce, la Chambre de commerce du Québec, "Interprovincial Trade: Engine of Economic Growth", prepared in May: "This report also points to the fact that these strong, commercial and personal relationships bind us together and reinforce our strength as a trading nation. Strategic and dynamic partnerships are often formed among Canadian companies and entrepreneurs to win in international markets in the new global environment.

"Our message is clear and simple. Together we prosper. Together we are the vehicle for job creation for the next generation in this country, and our interprovincial trading relationships are the engine of that growth. Together we must continue to build on these existing relationships which only enhance our competitive position, internationally improve our ability to create jobs and confirm our status as the best country in the world".

What is this trade to Quebec? The pamphlet further says that while all provinces are dependent on interprovincial trade, Quebec is much more economically dependent on trade with the other provinces than the other provinces are with Quebec. Quebec exported more to Nova Scotia and New Brunswick in 1989 than to any country in Europe, including France. It sold as much to Ontario as it did to the United States. The rest of the provinces exported more to Quebec than to the European union and Japan combined.

• (1740)

Four hundred and seventy thousand jobs in Quebec were directly and indirectly attributable to interprovincial exports in 1989. It is not only the Montreal based enterprises that export goods and services to markets in other provinces. Manufacturers in other regions such as Estrie, Mauricie, Bois–Francs and Abitibi–Témiscamingue are also highly dependent on sales to other parts of Canada.

Quebec was the only province other than Ontario that registered a surplus in interprovincial trade, helping to offset partially its trade imbalance, trade deficit with the rest of the world.

Ontario is Quebec's most important trading partner within Canada. Quebec ran a deficit in its trade with Ontario. Quebec's surplus in trade with other provinces came from the more distant provinces, suggesting the importance for Quebec of access to those regions.

This is perhaps the most important part of Bill C–88 and what we are talking about today. It really speaks to the whole nature of our union, what it is all about. We do not all have to speak the same language. It is not even necessary for us to be able to understand each other's first language. It is important for all of us to understand that when we reach into our pocket and pull out a $5 bill or $1 bill or perhaps even a $2 coin and exchange it, we are speaking the same language. Trade has no language. The nature of our country is that if there is commercial discourse in commercial trade and if we keep the lines and avenues and rivers of trade open between all parts of Canada, particularly between Quebec and the rest of the country, everything else is bound to follow.

As a nation we are talking about maintaining trade links with other parts of the world. If we trade with other countries we learn about other countries. We must ensure trade between provinces so that we will learn from each other. It is difficult to have a bad relationship with someone with whom we have a good trading relationship. If we have a commercial relationship which benefits both parties, we will be far more reticent to do or say anything that would imperil that relationship.

I am happy to have had an opportunity to put a few thoughts on record in this debate. I am sorry the government did not use the opportunity to be far more forceful in ensuring the many barriers that still exist are torn down.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I just listened to the Reform member's speech, about which I would simply like to raise a few small points.

He said that if Quebec were to declare its sovereignty, the rest of Canada would most certainly refuse to trade with it and to maintain current business relationships. I can only wonder if they are merely sabre rattling or if there is something more behind this. Can the frustration of western Canada still be so near to the boiling point? I do not know.

• (1745)

But when I imagine an independent or sovereign Quebec, I can only wonder whether you will refuse to sell us the beef we are accustomed to buying from you. After sovereignty, would you refuse to sell us beer made by Ontario breweries? Would you force us to buy our cars from the United States or France? Even the cold war with eastern block countries did not prevent members of the Reform Party, westerners, from selling thousands of tonnes of grain to Russia yearly, despite conflicts in ideology, to say the least.

I would like to ask them on what basis they would decide to cease selling to us—because Quebec attained sovereignty, took full possession of its means and its tools? I think that they would only be shooting themselves in the foot and scoring in their own nets. At any rate, that is my opinion and I would ask him to answer me. Is this anything more than sabre rattling?

[*English*]

Mr. McClelland: Mr. Speaker, if I left the impression that the rest of the country would not trade with Quebec, I certainly did not mean to do that. The point I wanted to make was how important trade is among all the provinces of Canada, including Quebec, and how vitally important trade is to the province of Quebec, probably more so than other provinces in the country, because Quebec has a resource very much built on trade and export.

What I did say was that the people of Quebec should not be misled into thinking that it would be automatic that things would go on as before. If the people of Quebec think for one minute that they would be able to exist behind trade barriers that would not be the case.

I would certainly hope, and I agree with my hon. colleague, that we would not do anything to shoot each other in the foot. That would not do any good. It would be a hard nosed commercial relationship. It would mean that instead of having our market, our critical mass would be 25 per cent lower. We would not have the same economies of scale. It would be far more difficult for Quebec in an international world market to be a world scale producer, because Quebec could not depend upon having the Canadian domestic market to enable it to be an international producer. It would hurt everybody, and it would hurt Quebec perhaps more than the rest of the country.

I would not suggest for a moment that we would do anything to shoot ourselves or Quebec in the foot.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I would also like to respond to comments by the member for Edmonton Southwest and I will have an opportunity to do so during the debate on Bill C–88. However, I must first provide a few details on the bill.

Often, when we are discussing bills in the House, people tune us in on television or come in to the House not knowing what the discussion is about. This is why I would first like to provide a few details about Bill C–88 itself. This government bill is aimed at promoting freer trade between Canada's provinces. It puts a number of administrative measures into effect to permit freer trade as of July 1, 1995, that is, in barely a month or two.

• (1750)

A whole series of measures are involved, as are a number of laws governing, for example, transportation, public liability, communications and other matters. Therefore, first and foremost, this bill, puts into place the measures that will lead to freer trade in Canada.

When we speak of liberalizing trade, we mean that, in principle, people, capital and goods should move as freely as possible and that uniform standards and rules will be established so that one province cannot prevent the free movement of goods, capital and people.

The most striking example is, of course, the limits on the movement and production of beer in Canada. Each province was required, so to speak, to produce a certain volume of beer, which could not be exported from one province to another. Quebec could not export its production to Ontario and vice versa. Marketing will now be freer, and not only for alcoholic beverages, but also for such sectors as farm products, food, communications, transportation, energy and, of course, manpower.

This bill from all appearances improves the trading system in Canada. I should point out that, as regards the liberalization of trade in Canada, Quebec has always been in favour of freer trade. It strongly supported free trade with the United States. We believe in unrestricted competition. In Quebec, we believe in the ability to compete on the open market.

However, this bill contains a few flaws, important flaws, such as the fact that a panel can be set up if disputes arise. Problems may occur. Disputes may have to be settled. In such cases, this bill provides for the creation of a panel to review disputes. Should one province accuse another of not playing by the rules, the mandate of such a panel would be to review the situation and recommend retaliatory measures on behalf of the injured party, the one that would have been somehow wronged.

This panel would have no power to enforce. It would only have the authority to review the problem and recommend retaliatory measures where required. And here we come to the troubling part, since, in the end, retaliatory measures will rest in the hands of the federal government.

Not only will the members of this panel and of the committee that will oversee the enforcement of this piece of legislation be appointed by order in council without being ratified by the House of Commons—which is a flaw one must point out—but once again, through this bill, the federal government is seizing additional powers, the authority to enforce the panel's decisions, and even to intervene when it, the federal government, is not involved.

• (1755)

Indeed, the wording of clause 19—or more precisely article 1710, but mainly clause 19—leaves room for interpretation, in such a way that if there is a dispute between two provinces, and the federal government is not directly involved, it can intervene. It can exercise its power of judgment so that one province is favourably judged, even favoured over another.

In fact, the federal government is taking on a lot of power, too much power, in our view, the power to intervene in disputes between provinces, if need be. These are powers it has assumed, without being asked to. The federal government is assuming the power to intervene in disputes between provinces. We think that this is in fact an abuse of power. Why would the federal

government interfere in interprovincial disputes in which it is not involved?

This is not the first time this government has tabled a bill in an attempt to give itself additional powers. As you probably know, it tried to give itself additional powers through Bill C–52, for example, which would allow the government to compete with engineering and architectural firms in Canada, and Bill C–91, which would change the mandate of the Federal Business Development Bank. Again, the federal government gives itself new powers that would allow it to centralize operations and intervene in the country's development, thereby putting some provinces at a disadvantage compared to others.

In the case of Bill C–52, for example, it is obvious that the powers the federal government tried to give itself could be used against Quebec in particular, since we know that engineering and architectural firms are concentrated in Quebec. In the case of Bill C–91 regarding the Federal Business Development Bank, we can ask ourselves if the government is once again giving itself additional powers and trying to compete with very successful Quebec institutions such as the credit unions and the FTQ and CNTU solidarity funds, which are very effective in developing small and medium size businesses.

We also know that small and medium size businesses have experienced significant growth in Quebec over the years. That was one of the reasons why Quebec supported free trade with the U.S. Industry and trade in Quebec are locally based. Quebecers have worked to set up their own businesses and establish themselves in Quebec. It is something that should be pointed out to those who do not know Quebec.

• (1800)

The difference is visible for instance between Quebec and Ontario. As we know, Ontario benefited from American investments and most major business concerns established in Ontario were American companies' subsidiaries. In fact, that is one of the reasons why so many jobs were lost in Ontario after the free trade agreement with the U.S. was signed. American companies established in Ontario simply packed up and moved back to the U.S. They can trade with Ontario from the other side of the border. But many jobs were lost because of this in Ontario, where there are more people on UI and welfare today than just about anywhere else in Canada.

While we, in Quebec, were hit quite strongly, and we can say that the federal government did not do much to help us, we nonetheless are blessed with a strong small and medium size business sector which is still developing in many areas. In Bill C–88, as in Bill C–91 and Bill C–52, the federal government is abusing its authority. It gives itself powers that it did not have before, which could have the effect of putting Quebec at a disadvantage in rulings on trade between Quebec and the other provinces.

Finally, this is the main reason prompting us to propose to the government an amendment providing that the federal government be required to rule only when it is directly involved, instead of any time it feels like stepping in to tip the scales in favour of one province at the expense of another.

As I said at the very beginning on my remarks, Quebec has always been for free movement and the freest trade possible, because this is in our interest in Quebec, since our economy is solidly grounded. Much remains to be done, but we are nonetheless building on solid ground, relying on small and medium size business firmly rooted in Quebec. Much remains to be done to strengthen it.

Were it not for this abuse of authority on the part of the federal government, interprovincial trade liberalization would be great for the rest of Canada as well as for Quebec. Again, Quebec is in favour of this kind of liberalization. For example, Quebec imports from Ontario alone goods and services totalling $25.852 billion per year, while its exports to this province total $22 billion. That is almost $30 billion in trade just between Ontario and Quebec.

In fact, trading between Quebec and all Canadian provinces is quite substantial. In Alberta, Quebec sells $2.8 billion in goods and services and buys $3.25 billion in petroleum, natural gas and the like. In the central region, we buy wheat. I think that these trade relations will be maintained after sovereignty is achieved. We are working at making Quebec realize that it will be to its advantage, in the medium and long term, to opt for sovereignty, take charge and be in control of its economy and its future.

• (1805)

Once Quebec has achieved sovereignty, existing trade between the provinces will most likely be maintained. There is no reason to believe that it will be reduced. It would be disadvantageous to the other provinces, including Ontario and even Alberta, to refuse to sell their products to Quebec, and vice versa. It would not make economic sense. In fact, economic sense dictates that current trade be maintained.

We live in a world where trade liberalization is increasingly more prevalent. For example, GATT was set up precisely to liberalize trade between all the countries of this world. Some agreements and regulations were implemented under GATT, and they will also be maintained once Quebec becomes a sovereign nation.

The same is true as regards free trade agreements with the United States. There is no reason to believe that these agreements will not be maintained and that trade will not continue. It is only those who seek to instill some unfounded doubt or fear who say: "We will cut or block trade between Quebec and the

other provinces". This is nonsense. It goes against economic sense. It goes against the common sense which governs existing treaties, including GATT and the free trade agreement.

Bill C–88 does includes many provisions which make it appealing to the Bloc. As I said earlier, Quebec has always been in favour of liberalizing trade between provinces and countries, and it always will be, because this is its forte. We can compete with others. We supported free trade because Quebec has the economic, cultural and social confidence required to face its North American competition.

It is for these reasons that Quebec will be in an even better position once it achieves sovereignty, and that is also true for the other provinces. Indeed, English Canada will also benefit. I think it will get along better with Quebec, and it might even manage to reduce the power of the federal government, which is not necessarily concerned with the interests of the individuals or provinces. It is concerned with its own interest. And the federal interest here in this Parliament is not the same as that of the provinces.

This is why we oppose Bill C–88 which is another example of abuse on the part of the federal government, which seeks to gain additional powers, to centralize, and possibly interfere in inter-provincial trade so as to favour the interests of one province at the expense of another. This is one of the reasons why we will oppose Bill C–88.

• (1810)

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I am pleased to reply to the various points raised by my colleague across the way.

[*English*]

I believe he substantially misrepresents the clause about which he obviously has some qualms. I believe it is clause 9 of the bill.

It is interesting to note that while the current minister of restructuring of the Quebec government was president of the Quebec Manufacturers' Association he totally supported the elimination of interprovincial trade barriers. Yet when the agreement was signed at the time when Mr. Parizeau was premier he dismissed the agreement as laughable because the dispute resolution mechanism did not have new devices for sanctions or retaliation.

We now hear the Bloc Québécois member saying that the provisions for sanctions are far too strong and are a grab for power by the federal government and would act as a disadvantage to the provinces.

Let me begin by saying that this bill is the result of a long process that in my view demonstrates admirably—

The Deputy Speaker: I think the hon. member may have misunderstood. This is questions and comments. Is the member asking a question or making a comment or is she making her speech?

Ms. Catterall: Debate.

[*Translation*]

The Deputy Speaker: Are there any questions or comments regarding what was just said?

[*English*]

Is there anybody who wishes to ask a question or make a comment to the speaker who just finished? The hon. member for Esquimalt—Juan de Fuca, on a question or comment.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thought this was resuming debate.

The Deputy Speaker: I am sorry. I said in French, questions or comments. Does the hon. member wish to make a question or a comment?

Mr. Martin (Esquimalt—Juan de Fuca): No.

The Deputy Speaker: The deputy whip for the government has the floor on debate.

Ms. Catterall: Mr. Speaker, I believe I was in the process of saying that the procedure by which this bill comes before us and by which the internal trade agreement that gave rise to it was reached was a demonstration of how federalism can work for all partners. It was a totally co–operative process, involving the provinces, the territories, the federal government, and the private sector, which had the unanimous agreement of all parties.

On behalf of the Minister of Industry, I appreciate this opportunity speak on Bill C–88. This is one more step in a process that has been under way in Canada for the better part of a decade to create a new internal trade regime. Our objective is to reduce barriers to interprovincial trade and remove restrictions on the movement of people and capital within the domestic marketplace.

Passage by Parliament of Bill C–88 will be a necessary step to implement the agreement on internal trade that was signed last year by every province, the territories, and the federal government.

At the invitation of the Prime Minister, first ministers met in Ottawa last July to formally accept and sign the agreement that the committee of ministers of internal trade had finalized at the end of June. With this accord we were committed to have the appropriate legislative and regulatory changes in place so that the agreement could be legally implemented. In this sense, putting this legislation before the House is meeting an obligation to provincial and territorial governments that we incurred when we signed the agreement in June 1994.

This was an important step in the quest to create an integrated domestic market in Canada. This seems to have been a pattern in the development of our nation. As we go back through history to the voyageur and the Hudson's Bay Company, we see that trade is what has opened up the vast expanse of this northern half of the North American continent. As we thought to link ourselves together with the national railway and later with the national highway and national airline, trade has been one of the driving forces both for the development of the links among us as a people and for the development of the prosperity the country has enjoyed.

• (1815)

However, in the 128 years since Confederation, we have also seen a hodge–podge of protectionist measures and trade conventions develop which have inhibited interprovincial trade and restricted the flow of goods, capital and talent between and among provinces. These measures range from outright restrictions to bidding on government contracts to a patchwork of regulations and incompatible standards.

The government has felt strong and repeated pressure from the private sector to deal with the problems associated with internal barriers to trade and conflicting regulations on cross border flows of people and of capital.

We have received representations from the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Business Council on National Issues, the Canadian Federation of Independent Business, the Canadian Bankers Association and the Canadian Construction Association. The list is long and the problems are deeply felt and broadly experienced.

Such barriers put Canadian businesses at a competitive disadvantage by restricting the size of their available marketplace by shrinking the domestic market for Canadian businesses in a time of increasing global competition and more open markets in other parts of the world. This can have the negative result of putting Canadian businesses at a disadvantage to international competitors even in our own market.

In addition, there is an economic cost related to marketplace inefficiency. The Canadian Manufacturers' Association has estimated that barriers to trade cost Canadians about $7 billion annually in direct job and income loss. However, let us consider the other side of the story which is equally telling.

A Canadian Chamber of Commerce report released on May 17 highlighted the importance of international trade and investment as powerful generators of economic growth and job creation throughout Canada. The study indicates that Canadian interprovincial trade was worth $147 billion; almost 21 per cent of GDP in 1993. It estimates that 1.9 million jobs are directly or indirectly dependent on internal trade within Canada. The report shows that the provinces and territories constitute one of the most economically interdependent regions of the world and that interestingly, Quebec is the province most dependent on internal trade, the province that benefits most from internal trade and has the most to gain from improvements in internal trade.

The study attributes 470,000 Quebec jobs, 20 per cent of the province's GDP directly and indirectly to internal trade and values the province's trade with the rest of Canada at $64 billion. With a trade surplus of $1.1 billion with the rest of Canada, Quebec exported more to Ontario than it did to the United States, more to Nova Scotia and New Brunswick than to any European country.

The report confirms that businesses across Canada have been able to take advantage of the political and economic links created by the federal structure to forge a large national market that has worked to the benefit of all Canadians.

In years past when external trade barriers protected economies like ours from international competition, the economic cost of internal trade barriers were tolerated and maybe tolerable. When Canadian industry was sheltered from international competition by tariff barriers of 10 per cent or even 20 per cent, the economic cost of internal barriers were not so obvious. However, a marketplace sheltered from international competition is no longer the reality. Barriers and tariffs are down. The market is global and the competition is fierce. We will not, we cannot be successful in an open global market if we operate in a closed market at home. We need to adapt to the realities of trade in today's global economy.

• (1820)

Bill C–88 and the agreements it implements is an important aspect of the process. It is part of the more fundamental process of economic renewal that the government is following toward its strategic objectives for economic growth and job creation.

Last December the Minister of Industry introduced in the House the government's plan for building a more innovative economy. We outlined our intentions for improving the economic climate of Canada in four ways: to build a positive entrepreneurial climate and to help small businesses grow; to expand markets for jobs and growth through trade; to create an efficient and modern infrastructure; and to make technology work for Canada.

These are areas in which the government can have the greatest impact on job creation. While Bill C–88 will support all of these objectives, it has special relevance for the objective of expanding trade. To grow and prosper business needs an efficient and open marketplace, an environment which encourages innovation and expansion free of unnecessary barriers.

With the agreement on internal trade and now with this bill we have the elements to establish a new internal trade regime, one which will allow us to make the most of our interprovincial

domestic market by encouraging innovation and expansion and by removing unnecessary barriers.

The Canadian economy is in a period of transition. Fundamental changes are taking place because of the globalization of trade and the rapid pace of technological change. The competitive advantage in today's world depends less on location and natural resources and more on innovation, the ability to respond to changing market conditions and to achieve economies of scale.

As we continue the transition from a resource based economy to one where innovation, knowledge and flexibility are the underpinnings of competitive advantage, we need to ensure that the domestic trading environment will accommodate and expedite the necessary changes. Bill C–88 will provide a supportive environment for the economic transition process that we are now experiencing.

The legislation before the House is the result of a long process of negotiation and consultation which has involved many Canadians; Canadians with many different perspectives: ministers of the federal government, ministers of all the provincial and territorial governments, officials of all of these governments and representatives of the private sector.

It is interesting to note that political parties of all stripes have co–operated in the negotiations leading to this agreement. They have different perspectives and different priorities, but a shared belief that a more open trading environment will be good for Canada and good for Canadians.

A striking feature of the process leading to the bill has been the high degree of co–operation and good will that has been demonstrated on all sides. Those Canadians who have been involved in the process understand the compelling need to open up our internal markets and to ensure that the Canadian marketplace works to the advantage of all Canadians.

Over the last two years the negotiations and background work were under the guiding hand of Mr. Arthur Morrow, a well known Canadian businessperson, who acted as chair of the committee of chief negotiators and worked tirelessly to keep the process moving toward its objective and in producing the agreement that ministers signed last year. The work leading up to the bill was exhaustive and thorough, and it will be ongoing. It is our duty to keep the process moving.

The process began in June 1988 when federal and provincial agriculture ministers compiled a list of barriers to internal trade in agriculture and food products. While the focus of this group was relatively narrow, the process had begun. Governments were now dealing with the problems of internal trade barriers in an organized way. Federal–provincial discussions continued and the focus widened. Ministers began to consider the need for a dispute resolution mechanism as part of more comprehensive trading arrangements between provinces and territories.

• (1825)

In December 1989 a memorandum of understanding on internal trade in agricultural products was signed by seven of the provinces. The process was beginning to move. Negotiators continued to meet. Agreement was reached and memoranda of understanding were signed on a number of individual issues such as transportation and government procurement, a major economic factor in our economy.

By December 1992 the committee of ministers of internal trade at the time recommended the process be accelerated and that all parties commit to the goal of reaching a broad and comprehensive internal trade agreement by June 1994.

Agreement was reached on three specific principles: that governments treat people, goods, services and capital equally regardless of where they originate in Canada; that governments reconcile standards and regulations to provide for the free movement of people, goods, services and capital within Canada and that governments ensure their administrative policies operate to provide for that free movement of people, goods, services and capital within Canada.

An intensive series of meetings was held during the period of January to June last year. These culminated in ministers agreeing to the text of the internal trade agreement at the end of June. Finally, in July 1994 the Prime Minister and all other first ministers affirmed their acceptance of the agreement with a formal signing on July 18.

Last year's agreement on internal trade was a major step in a long process. It has demonstrated that all governments can work together to achieve a common objective that will benefit all Canadians.

The agreement on internal trade sets out general rules that prohibit any new barriers to trade and eliminate old ones in 10 specific sectors or issue areas. Unfortunately there is no time left to read them all. However, it is fair to say that while this bill does not solve all the interprovincial trade problems that have built up since Confederation it has moved us a considerable way along that track. It is an ongoing process. For instance, in the energy sector a separate set of negotiations is under way toward a similar deadline this year.

With this legislation we are ensuring the framework is in place and we are confirming our belief that the fundamental principles of free trade will work within Canada. Trade agreements deepen and broaden with use and experience and this one will too. Bill C–88 will provide the foundation of moving toward a domestic trading environment that will allow for the free flow finally of goods, services, people and capital within Canada.

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The Prime Minister and other ministers, including first ministers, have been actively involved in broadening the marketplace for Canadian goods and services in export markets and the Team Canada approach has been highly successful in doing that. We must bring the same spirit to improving the domestic market for our businesses and workers. Bill C–88 is an important step in that direction, which is why we brought it to Parliament and support it.

• (1830)

The Deputy Speaker: The House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing an important matter requiring urgent consideration, namely the current situation in Bosnia–Herzegovina.

EMERGENCY DEBATE

[*English*]

BOSNIA

Mr. Bob Mills (Red Deer, Ref.) moved:

That this House do now adjourn.

Mr. Hermanson: On a point of order, Mr. Speaker, I think you will find unanimous consent to allow the leader of the Reform Party, the hon. member for Calgary Southwest, to lead off this debate, and the hon. member for Red Deer would then speak in his normal turn in the rotation.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would gladly give my consent provided, of course, the hon. member for Lac–Saint–Jean be permitted to speak on behalf of our political party when the time comes.

Mr. Gagliano: Mr. Speaker, in a spirit of co–operation, we give our consent. I believe there is unanimous consent for the leader of the third party to speak first, for the Leader of the Opposition to follow and for the Minister of National Defence to be next.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the deteriorating situation in the former Yugoslavia warrants an emergency debate on the situation there and on whether or not and how to withdraw Canadian peacekeepers from that area.

I wish to thank the House for responding positively to the request for this debate made by the hon. member for Red Deer.

At the outset I wish to take the opportunity to publicly express the thoughts and feelings of the Canadian people on this matter, and I trust that other members will take this opportunity as well. These thoughts and feelings include pride in the record of performance of our peacekeepers. Our peacekeepers are the best in the world, and that has been demonstrated again over three and a half years in the former Yugoslavia.

However, those thoughts and feelings of the public also include concerns and outrage: concern that there is no peace in Bosnia to keep and that the fighting is escalating, and outrage that Canadian peacekeepers are being taken hostage, used as human shields, and prevented from doing the job they were sent there to do. Peacekeepers and their friends and families and the Canadian people want a decision from their political leaders on where we go from here.

Six months ago the Reform Party's defence and foreign affairs critics endeavoured to persuade the government to adopt a more realistic and commonsense position on the presence of Canadian peacekeeping in the former Yugoslavia. We urged the government to define certain specific criteria to be used to decide when Canadians should go on peacekeeping missions, how long they should stay, and when they should be withdrawn.

In particular, we outlined several key criteria that should be satisfied if Canadian peacekeepers were to remain in Bosnia. Those criteria were that aggressive moves by belligerents against UN peacekeepers cease and that any UN detainees be released immediately; that the blockage of airports and roadways to humanitarian flights and convoys cease so that at least UN humanitarian aid to civilian populations could proceed unimpeded and that a ceasefire be in place so that there was at least some minimum peace initiative to enforce.

• (1835)

Our position was that if these three minimal criteria for effective peacekeeping could not be met, our peacekeepers should be withdrawn. Since that time, every one of those minimum conditions for effective peacekeeping has been violated and violated repeatedly. Let me go through the recent check list.

With respect to the criterion that warring factions agree to cease aggressive acts towards the UN peacekeepers, in total there have been about 300 peacekeepers held hostage.

On May 2 the Serbs took 122 UN hostages as human shields and confiscated their flak jackets, helmets and radios. On May 16 three Canadian peacekeepers were robbed of a vehicle and communications equipment. On May 22 Serbs broke into a UN heavy weapons depot near Sarajevo and removed large calibre guns. French peacekeepers were immobilized by land mines in front of their quarters.

On May 23 six UN officials were injured in Sarajevo by machine–gun fire. On Saturday, May 27, eight Canadians were detained. Of course on Friday, May 26, two Canadians were held

hostage: Captain Patrick Rechner tied to a post in an ammo dump and Captain Ryan Lapalm detained in quarters.

With respect to the second criterion, that humanitarian aid be allowed to proceed without interference by any of the warring factions, the humanitarian airlifts were suspended on April 8 after the Serbs fired on a U.S. cargo plane.

As a result of the Serbian siege, UN workers hear comments like "If you cannot give us food, then at least give us poison to relieve us from this misery". So reports the UN High Commissioner for Refugees on May 13.

Sarajevo's airport has been open only sporadically over the last number of months. On May 18 a UN cargo plane was forced to turn back in mid–flight. According to a National Defence briefing earlier today, aid is shut down throughout Bosnia almost completely.

With respect to the third criterion, that a ceasefire be in place so that there is some peace to keep, the four–month ceasefire expired on May 1, with neither side reportedly willing to extend it.

During the first week of May the Croatian offensive was taken into western Slovenia and prompted Serb rocket attacks on the Croatian capital.

On May 8 UN officials criticized Croatia for breaking and overrunning UN monitoring positions and for having snipers deliberately target fleeing Serb civilians.

On May 15 there was a face off between heavily armed Croatian and Serb troops inside a sensitive buffer zone, which has rendered the 13,000–member UN force largely powerless and raises questions about its viability, according to UN chief spokesman Fred Eckhard.

Finally, on May 17 and 18 the heaviest fighting in two years in Sarajevo wounded 13 people, including Russian and French peacekeepers.

My point is that every one of those three basic UN peacekeeping criteria has been repeatedly violated time and time again. We therefore call upon the government to proceed to organize the withdrawal of Canadian peacekeepers from the former Yugoslavia, including negotiated release or rescue of those Canadian peacekeepers held hostage.

Can anything further be done to hold the belligerents in the former Yugoslavia more accountable for their actions against UN peacekeepers and for the atrocities they have committed or are preparing to commit against civilian populations? I believe the answer is yes. We call on the Government of Canada to lay before the United Nations a resolution calling for that body to declare again, with greater force and clarity, certain acts to be international crimes punishable under international law in the courts of any member nation agreeing to the resolution.

• (1840)

The proscribed acts to be declared international crimes with greater clarity and certainty than they have ever been declared before shall include the following: the forcible detention by belligerents of any UN peacekeeper; the use of any UN peacekeeper or humanitarian aid worker as a human shield; the closure of any airport, seaport, rail line, or roadway to the passage of any UN approved humanitarian aid flight, ship, or convoy; the violation of any UN sanctioned ceasefire to which belligerents are a party; the commission of acts of violence against civilian populations in any area subject to a UN peacekeeping mandate.

How would such a resolution, if approved by the vast majority of UN member states, help the current situation? Perhaps the immediate impact would be small, perhaps not. Properly done and forcefully communicated, such a resolution could send this message to all the belligerents in the former Yugoslavia "Perhaps for a moment in your tiny enclave, an armed corner of the world, you may be able to get away with such crimes as holding UN personnel hostage, using them as human shields, blockading humanitarian aid to women and children, wantonly breaking ceasefire agreements, and violating the most basic human rights of civilian populations. If you, the military and civilian leaders and field personnel responsible, continue these practices and if you ever step outside your own borders, even for a minute, anywhere in Europe, anywhere in the world, you will be arrested, tried, and convicted for crimes against humanity and civilization just as certainly as day follows night".

Some hon. members: Hear, hear.

Mr. Manning: In other words, we need a world sanctioned UN resolution sponsored by Canada that any belligerent who takes a UN peacekeeper hostage will himself be held hostage by the world community until justice and peace prevail.

The issue we are debating today is beyond partisan politics. A great deal of rhetoric and words will not change the situation and may just muddy the waters. We conclude simply by urging upon the government three things. First, to establish and publicly state its own criteria for determining when Canadian peacekeepers should go to a troubled spot in the world, when they should stay, and when they should be withdrawn. Second, to recognize that all the basic criteria justifying the presence of Canadian peacekeepers in the former Yugoslavia have been violated innumerable times and that the time has come to bring our peacekeepers home so they might better serve the cause of peace another day. Third, to lay before the United Nations the resolution I have described so that hostage–takers might themselves be held hostage by the forces of peace.

S. O. 52

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, first of all, on behalf of the Bloc Quebecois and the official opposition, I would like to thank the Speaker of the House for accepting the petition for an emergency debate this evening. I believe that this decision pays tribute to the sense of public interest and moral authority that come shining through in the magnificent way the Speaker of the House carries out his duties.

Secondly, it goes without saying that all members of the official opposition are extremely concerned about the safety of Canadian soldiers stationed there, in particular those being held hostage. We hope that these soldiers and especially their families, who are extremely worried about them, know that the public overwhelmingly supports, admires and thanks them for what they are doing to uphold humanitarian values and keep the peace.

Of course, things are not going very well and the current situation is more than deplorable, it is worrisome and has stirred the indignation of many. After all, the soldiers stationed there did not go to make war, did not go to stick their noses in other people's business; they went there simply to try to relieve the horrors and suffering often imposed on civilians by the reprehensible acts committed there. They are prohibited from using their weapons and they are behaving, I would say, like boy scouts. What they are currently experiencing is utterly unacceptable, considering that the Serbs have taken some of them hostage and even chained some of the hostages like animals to ammunition depots as a means of holding their positions, the Serb army's current defence against air raids.

• (1845)

I believe, Mr. Speaker, that that is good reason to take action. But, before deciding to go one way or the other, we should recall the facts. On March 29, a debate took place in this House, which enlightened the government on the decision to be made regarding a six–month extension of the Canadian forces' participation in the UNPROFOR mission to the former Yugoslavia. What we did was to renew Canada's commitment to the peacekeeping mission for six months. This means that, normally, the government will have to reconsider its decision in September and determine whether to extend its commitment.

Meanwhile, the four–month truce expired on April 30 and was not renewed. Consequently, Serb and Croatian forces are now engaged in open hostilities and the area is in a state of war. In addition, what is even more unfortunate, is that the humanitarian air lift to Sarajevo, our very reason for being there, has not been in operation for two months. That is very serious, because one can imagine what happens when medicine, water and food stop being supplied to a major city like Sarajevo.

Just imagine what life is like there. In addition, the six Muslim enclaves, which are protected zones, are under constant attack, and, as the leader of the Reform Party said, nobody's word is respected and no promises are kept. The law of the jungle prevails there.

What is particularly serious, and we say it in all good faith and with all due respect for the UN, is that it would seem that the UN has been fairly lax, nevertheless. We understand the considerable difficulty, but the UN has been lax to some extent. For example, it has allowed dozens and dozens of its decisions to be defied in recent years. Furthermore, almost consistently, UN leaders refuse to accept the recommendations of the military personnel on site. Again, a few days ago, the military personnel on site asked the UN for authority to intervene. The UN refused. The American president considered that it was a mistake, and, on Thursday and Friday, NATO intervened with air strikes. These air strikes hastened the events that led to the deterioration of the situation, that is the hostage taking.

The number of hostages has reached 400 peacekeepers now. They are not all Canadians, of course, but almost 400 peacekeepers are surrounded and are, for all intents and purposes, hostages.

Diplomats, who have fine words to describe things, describe them as people with restricted mobility, but in the honest language of reality, they are hostages. I see no need to protect sensitivities by not calling a spade a spade, when we have people who are supposedly civilized holding hostage 400 soldiers who have come to their country to keep the peace. In addition, ten of them are Canadians, eight are Quebecers, members of the third battalion of the Royal 22nd Regiment from Valcartier, and 45 other Canadian military personnel are confined to their observation post. Here again, we have to understand what this means. It means that they cannot leave, that they are there, that they are prisoners for all intents and purposes, and that they too must be considered hostages.

What is happening all this time? Of course, negotiations are going on, as they should. We know that negotiations do not lead to much there, because agreements are rarely reached and, when they are, they are systematically broken. However, in terms of international diplomatic relations, a process is under way. And so, this evening, the representatives of the contact group will be meeting. The contact group is the main operational group of the countries in this operation. I noted that Canada is not a member. I will say something about this shortly. Therefore, this evening, there will be a very important meeting to decide the course of events. Canada will not be at it.

• (1850)

Tomorrow morning, the Canadian Minister of Foreign Affairs will be meeting with his NATO colleagues in Brussels to decide on a position. We are not too sure what the Canadian position is exactly; in fact, it is very vague. I hope that the present debate will shed some light on the issue so that the government can

define more precisely, and in any event, certainly more firmly, more clearly, and more decisively, the position it will adopt tomorrow.

When we hear the plain facts, when we know that scores of peacekeepers have already been killed over there, that altogether we have spent hundreds and hundreds of millions of dollars, it is very tempting to think of withdrawing. If we are not careful, we will be tempted to say—as the leader of the Reform Party has just done and I know as many Canadians believe, not the majority though, I think—"Let us get out. After all, we have nothing to gain there. We went there out of sheer generosity, in a humanitarian spirit, to help people. If they do not want to be helped, and if they shoot at us and, on top of that, take us prisoners, hold our people hostage, chaining them like animals to weapons, let us get out".

It is tempting for all of us, and I must admit we, in the Bloc, are not immune to this temptation. However, we must resist doing so, for several reasons. The first reason, and the most important one, is that physically we cannot withdraw. To withdraw at the present time would mean leaving behind the expiatory victims Canadian peacekeepers would undoubtedly become, having gone there to defend humanitarian values, on the orders of this government and in compliance with the parliamentary debates we held. All of a sudden, in the thick of things, after what has just happened, we would leave them there as victims, we would abandon them. No, Mr. Speaker. It is impossible for Canadians and Quebecers to accept such a thing. No. For this reason alone, we must stay and save these people's lives.

Second, there is a more profound reason. We are not there by chance; it is not because we just happened to be around that we were taken prisoners and held hostage. We decided to go there. We went in after serious consideration of compelling reasons. These reasons still hold true.

Although we went over there to save millions of lives, as our fellow citizens deployed over there were courageous enough to do, there are still lives to be saved since the situation has not changed. The war rages on as unarmed civilians, women and children are shot at and mowed down like dogs on the street. We sent troops over there because we believe in peace and democracy and because we felt the need to intervene in order to prevent atrocities. This has not changed. That is why we must stay.

Some hon. members: Hear, hear.

Mr. Bouchard: We often say the former Yugoslavia, meaning Bosnia. There are roughly 2,100 Canadian soldiers over there, half of them in Croatia and the other half in Bosnia. The peacekeeping mission is based in Croatia—and we are really keeping the peace in that region. We are really keeping the peace between two factions that fight only sporadically. In Bosnia, however, what we do is purely humanitarian since the fighting continues. A war is being fought before our eyes while we carry out humanitarian work. Our convoys bring food, drinking water and medicine to entire civilian populations. Thanks to our efforts, children who would otherwise die of infection are cared for in hospitals, and people have food to eat. Should we stop doing this work? No.

Let us keep in mind that we decided to go over there because we feared that a failure to send troops would lead to a conflagration in the Balkans since, next door, so to speak, are Greece and Macedonia. Several major international conflicts originated in all these countries. The whole region is a potential powder keg. The war in that region is also fought along religious and ethnic lines. All the elements are in place for an all–out war, perhaps even a world war, with the various alliances that could be formed.

We decided to go over there because we wanted to prevent the conflict from spreading. We managed to achieve this goal and to carry out humanitarian work. As long as these conditions prevail, we must stay. Stay, yes, but not in the present conditions.

• (1855)

In this respect, I agree with the leader of the other opposition party that the criteria must be tightened; in at least three debates, we have repeated the same thing over and over to the government. On three separate occasions, in public debates, we have asked the government to tighten its criteria, but we never got an answer from the government.

Today, we insist strongly that our support to continued Canadian participation in peace missions is conditional upon this. It is particularly important to act to change what is going on over there right now. For example, the French Prime Minister, Alain Juppé, just tabled a new plan, which basically calls for an intensification of UN military presence, an intensification of the military aspects of the peacekeepers' role. Response forces would be put under unified command and a tactical group able to deploy rapidly if required would be formed.

If our information is correct, one of the reasons why morale is low over there, a source of concern and outrage for troops participating in this particular mission, is the fact that they have to stand helplessly by as things happen before their very eyes. They see children shot down in the street along with their mothers, but they cannot do anything about it; they are not allowed to shoot. They can only stand by. This is awful for a serviceman or woman, especially one from Canada.

In addition, they are barely allowed to defend themselves. They can do so only when their lives are in imminent danger. When is that exactly? The Serbs basically have a free hand at taking them prisoner. They merely have to get close to an observation point and tell Canadians: "Follow us". And Cana-

dians must follow them without doing anything. In fact, they are prohibited from doing anything. We send Canadians troops there and we prohibit them from doing what soldiers must normally do.

We must absolutely follow up on the French plan, so that a response unit can be organized, and that the soldiers be allowed to shoot, protect themselves and intervene when they witness unacceptable situations. They must be able to act like soldiers, otherwise who are we going to send?

They must also have adequate equipment. For example, we are told that the armour of Canadian vehicles can be perforated by any Serb gunfire. That is unacceptable. If we send peacekeepers over there, then let us provide them with the equipment to succeed. If we need to allocate more funds to allow Canadian forces personnel to have the required equipment, then let us do it, otherwise let us bring them back. Either they are there, and rightly so, or else they come home. But if we send them over there, we have to accept the consequences. We have to be consistent in our commitment.

The government must ensure that Canadian troops sent to Bosnia have the means to do the job which they have been mandated to do under the new mission.

As for the UN, it goes without saying that Canada must co–operate with other UN members. Obviously, democracy and diplomacy, not to mention the common sense governing the new international order, require that the UN be in charge of the whole process. We must therefore continue to support the UN, but that does not mean allowing it not to assume its own responsibilities.

If we are indeed transferring to the UN responsibilities that our ours, it must assume them. But there is a certain lack of resolve on the part of the UN. It is essential that the military be listened to, be heard, that the UN not just adopt resolutions, hold debates and then engage in never–ending discussions, while its decisions are continually ignored.

Why are the UN's decisions systematically ignored? The answer is that the Serbs have got used to doing as they wish, without penalty. If a more stringent approach had been adopted initially, we would not be seeing the present parade of atrocities. A weak position leads to abuse, that is clear. So, either we are there and we do what we have to do, or we stay home.

I would also like to criticize the government for agreeing not to be a member of the contact group. The contact group is the main group, the operational group, it is where decisions are made, strategy is mapped out, criteria are adopted and military missions and instructions are agreed on. The Americans and Germans are there and they do not have any soldiers in Bosnia; we have 2,000 soldiers in the region and are not in the group.

How can the Canadian government agree not to be a member, not to have a say, not to take part in the decisions of this forum that plays such a vital role in the course of events there? I do not understand it.

Some hon. members: Hear, hear.

Mr. Bouchard: I would like to hear the Minister of National Defence tell us why he is not there today.

• (1900)

Why is he not at the contact group tonight to tell the UN and his colleagues what it is that Canada wants to do to defend our Canadian soldiers who are now being held hostage over there? We should at least have the right to talk if we have the right to die.

Some hon. members: Hear, hear.

Mr. Bouchard: I will conclude by supporting what I perceive as the government's will to maintain our commitment in the former Yugoslavia, but we have to ask the government tonight to tell us clearly what its position is. I do not see how Canada's interest could be threatened or compromised in any way if the minister told us clearly tonight, a few hours before the meeting in Brussels, what instructions were given to the minister who will attend the meeting.

And if he finds that the instructions that the minister has received and the position that he will defend tomorrow in Brussels are not compatible with what the opposition wants, he must contact the minister immediately and change his mandate so that the Canadian minister who will attend the meeting can defend Canada's true position and Canada's true interest which, in this case, happens to be peace.

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I welcome the debate this evening and the initiative of the leader of the Reform Party, joined by the Leader of the Opposition. I have listened intently to their speeches. They have made many constructive suggestions which the government will reflect on in the days ahead.

[*Translation*]

The situation in the former Yugoslavia is sad. A few days ago, 55 of our troops were taken hostage. One of them, Captain Rechner, is an hostage in the real sense of the word. But, in fact, they are all hostages.

[*English*]

They are all hostages. They are hostages to oppression, to invidious forces. They are hostages to an evil application of

hostilities that have arisen over the past centuries and which have culminated today in a civil war in the former Yugoslavia.

[*Translation*]

Tonight, our thoughts are with our troops. Our thoughts are with each and every one of them; they are with the members of the third battalion of the Royal 22nd Regiment, based in Farnham and in Valcartier, in the province of Quebec. Our thoughts are also with their friends, who must be very worried. Our thoughts are with all of them.

[*English*]

The debate is taking place in the context of the deterioration of the situation in Bosnia for a third time, as I have just outlined and which has been acknowledged by the previous two speakers. We have seen Canadian soldiers treated in a most unfortunate way.

In the case of Captain Patrick Rechner, the image of a proud Canadian peacekeeper chained to a pole is something we could never have countenanced before and which has brought the level of conflict in that part of the world to a new low. It represents an escalation in tactics that are reprehensible. It constitutes an attempt to blackmail not just Canadians, because Canada is not the only country affected, but the blackmail will not work. The people of Canada and the Government of Canada and members of the House will not give in to blackmail.

The real questions are not why we are there or how we got there. Those were matters decided in another time in response to the fragmentation of what was then a very civil state in southern Europe. The questions tonight, as have been acknowledged by the leaders of the Reform Party and the official opposition, are really whether the mandate of the United Nations as presently constituted is still valid and if so, is it being properly discharged? Is it being discharged effectively?

• (1905)

I do not think anyone believes the mandate is being properly discharged as was intended. If it is not, how can we reformulate the mandate to ensure its objectives are met and to ensure the safety of personnel, particularly our own proud Canadian soldiers who are acknowledged by all members of the House to be among the best peacekeepers in the world?

There is validity to this mandate. We sent peacekeepers to Bosnia and Croatia on humanitarian missions to help deliver aid to suffering civilians. We must not lose sight of the fact that, despite our natural outrage and the difficulties our troops are facing at the moment, there has been success with this mandate over the past three years.

When Canadians went into Sarajevo in 1992 Sarajevans were cut off, unable to receive food or medical supplies and were without safe drinking water. Canada helped open the Sarajevo airport. We have participated in an airlift which ensured humanitarian assistance could be delivered. For months on months it was the one Hercules flight a day from Ancona, Italy going into Sarajevo amid bullets and other mortar attacks that delivered the aid.

Canada is justly proud of our soldiers on the ground and our air force personnel who have taken on those dangerous missions with Hercules aircraft, and our sailors who have been in operation sharp guard on the Adriatic coast. The three forces of the Canadian Armed Forces have been present and have discharged their duties effectively.

We have provided protection for relief convoys and refugees. We have monitored ceasefires in the safe areas of Srebrenica and Gorazde. Who can forget what Canadians 18 months ago did in going into Srebrenica and saving thousands and thousands of the Muslim faction in that safe haven? Canadians should again be justly proud.

I believe, perhaps because I am an incurable optimist about life, about humanity, that the detention of over 300 UN personnel at the moment including 10 Canadians is a temporary challenge. As I said earlier, Canada will not give in to blackmail, the international community will not give in to blackmail, but we will attempt to negotiate the release of our peacekeepers. We have succeeded in the past and I hope we will do so again.

Therefore, as long as the mission remains valid, and we have seen that validity as I have described over the last few years, if there are temporary road blocks, we must overcome them. We must deal with the problems, with the mandate and its application.

[*Translation*]

Given the current crisis, we must examine a number of conflicting elements in the UNPROFOR's mandate, mostly in terms of the safety zones, the no–fly zones and the use of force as support for our humanitarian assistance operations.

The current situation also brings to light the conflicting measures taken by the various stakeholders. The lack of a strong consensus within the security council and the contact group, some of the specific diplomatic initiatives undertaken and the differences of opinions expressed by the countries sending troops over there are among the elements that leave the door wide open to manipulation by the warring parties. Such an approach, which is too often defined by domestic political considerations and narrow national interests, can no longer be tolerated.

[*English*]

Perhaps we have failed by not speaking with one voice. Whether it is members of the contact group, the Leader of the Opposition and the leader of the Reform Party are correct, Canada should have been there. We cannot look back. We have to look forward. Even members of that group have not spoken with one voice. The true contributors have not spoken with one

voice. That has invited manipulation on the part of certain factions in ex–Yugoslavia and it cannot continue.

• (1910)

[*Translation*]

At this decisive moment for the future of UNPROFOR, Canada believes that three conditions are necessary for the international community to continue with the initiative.

Firstly, the multitude of approaches has created uncertainties which the warring parties have used to their advantage in their dealings with the various players. Consequently, the political process of negotiation must be reduced to a common denominator. The international community must develop a common position in these negotiations and speak with one voice.

[*English*]

We have to speak with one voice. Not just Canada and our allies in NATO but the entire international community.

[*Translation*]

Secondly, our collective effort should be spearheaded by an effort to re–establish a functional link between the negotiation process and the military operations on the front. As recent events have shown, a UNPROFOR devoid of its political mandate could quickly become a bargaining tool for the warring factions.

In such circumstances, each failure, each major obstacle encountered by UNPROFOR forces us to call into question its existence. To close the gap between the negotiation process and military operations, all of the players will have to work to improve co–ordination between the contact group and the countries contributing troops.

[*English*]

Whether we are let in the door of the contact group is not the issue tonight. The issue is there must be better co–ordination between that group and countries like Canada that contribute thousands of personnel.

[*Translation*]

Thirdly, the current situation has demonstrated that the parties in conflict rate UNPROFOR very low on the credibility scale. On the short term, Canada believes that the credibility and the viability of the peacekeeping forces depend on four factors: consolidating troops to avoid diluting or weakening the capacity of UN forces to defend themselves.

[*English*]

In other words, we have to consolidate our troops to better defend themselves and to be effective in their mission.

[*Translation*]

Once the hostage crisis is over, reviewing UNPROFOR's mandate, concentrating on activities which are most likely to succeed, given the resources currently provided to troops and their safety.

[*English*]

This crisis will end. It will take some negotiation. Once it is over we should revise the UNPROFOR mandate given the resources we all have as contributing countries and given the need for security of our forces.

[*Translation*]

The third factor is the withdrawal of military observers from territory under Serb control, in order to reduce their vulnerability.

[*English*]

Happily we have only two UUNMOs, unarmed United Nations military observers, in Serb held territory, Captain Ryan Lapalm and Captain Rechner. These two people have been captured.

As I said earlier, no matter how one slices it, they are all hostages. All of the 300 tonight are hostages to hostages to an unacceptable blackmail.

We probably have to think about the withdrawal of the UUNMOs in those areas to prevent this kind of occurrence again.

[*Translation*]

The last factor is the use of force to retaliate against violations of UN resolutions, including frequent air strikes to support the work of peacekeeping troops.

• (1915)

[*English*]

In other words, it is the greater application of force where necessary and where our security is threatened, including air support. We have to make sure that the strict guidelines laid down for NATO air support negotiated last year are applied appropriately.

There is one thing I do disagree with in what the hon. Leader of the Opposition said and perhaps I am doing him an injustice in repeating it. He said that if we are going to die we should be part of a group to talk about our future, or words to that effect. I am sorry to have to paraphrase it. I have acknowledged the fact that it is regrettable we are not part of the contact group. Canada believes there has to be this greater co–ordination as I have

outlined. However we are not prepared to say that any of our Canadian soldiers will die in this crisis or in the future. Every single Canadian life is important. We do reject the notion that somehow we are on a downward spiral which cannot be stopped.

Europe has given us terrible crises and wars in this century. The area of the Balkans was the caldron for the beginning of the first world war. It was in August 1914 that Archduke Ferdinand was assassinated in Sarajevo in the middle of Bosnia which led to the catapulting of the European nations into what was then called the great war. The government and I fear that unless certain steps are taken, unless the UN succeeds and unless negotiations succeed we could be drawn into an ever greater conflict.

The leader of the Reform Party has said that perhaps it is time for us to withdraw. Do Canadians want to withdraw from a country that until two or three years ago was relatively civilized and which has contributed many people to our cultural and social mosaic? Do we want to let those people lapse into an abyss of hostility, brutality and torture as we come to the dawn of the 21st century? Do Canadians want to be part of that? Perhaps that would be one of the results of a UN withdrawal.

There are parallels today with what went on in the 1920s and the 1930s. We see throughout Europe and in our own country where the forces of tolerance are being strained. We see people persecuted for their beliefs and for the colour of their skin. We see phobias developing not just in Europe but also in North America. We see that lack of civility occurring every day on television. We hear it on the radio and read it in newspapers. Only a few weeks ago we saw graphic evidence of man's inhumanity to man with the bombing in Oklahoma City.

There are parallels with what western society is going through today and what it went through 50 and 60 years ago after the first world war. In those times the leaders, perhaps in their naivete, in their honesty went down certain paths. They went down certain paths of appeasement. They went down certain paths of retreat, of isolation. Do we want to do that again in 1995?

Those paths led to the second world war. They led to an even greater carnage where millions upon millions of civilians were butchered, were bombed. I saw the result of that growing up in London after the war. I saw those craters. I saw those kids without fathers. I never want to see that happen in my time. I do not want my son to be sent over to another European war.

I am not overdramatizing the situation. The situation is grave. It is serious. Let us not try to take the easy way out. As Canadians, let us try to talk this out to bring some of our tolerance and civility to that country.

• (1920)

There is a reason that the Canadian peacekeepers are the best and that the Muslim faction, the Croat faction and the Serb faction respect us the most. It is because we are a culturally pluralistic society which knows that discussion, compromise and accommodation can keep multi–ethnic, multi–religious and multi–racial societies together.

Canada has something to tell the world. Those peacekeepers currently are from the Royal 22nd Regiment, the third battalion, and of course the second battalion in Croatia, and we must not forget the work that it is doing. Others are from the service battalions and from other support groups, the transport groups. All those people are representatives of the values we all share as Canadians. Those values are of trust and tolerance, people who believe the world can be made into a better place.

Tomorrow there is the meeting of the foreign minister and my colleague the Minister of Foreign Affairs, who will be leading Canada's position at those discussions. I hope they will reflect upon the suggestions we make and which my colleague will make tomorrow to redesign this mandate, to make sure that we do not give up just because things get a little tough.

Canadians are justly proud of the sacrifices we have made in two world wars, in the Korean war and through countless peacekeeping missions. Over 100,000 Canadians lie buried in Europe. Over 100 peacekeepers have been killed in the last 40 years in the service of the UN. Those 100 peacekeepers did not die in vain because those UN missions prevented scores, hundreds, thousands of other deaths.

Only by the continuation of the UN presence in ex–Yugoslavia can we make sure that more deaths are prevented, that more hostilities, brutality and torture are prevented so that we do not go back to those days of 1992 where there was ethnic cleansing, butchery and savagery in the heart of Europe on the dawn of the 21st century. That is why Canadians must not give up on the UN mandate.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I too want to thank the Speaker. It is important in something so critical as this debate tonight that we get the opportunity to express our views and the views Canadians are trying to express to their elected members.

I will start by asking why we originally went to Bosnia. I certainly do not want to dwell on it, but we were pulling out of Europe. We were closing our NATO bases. I believe it was an opportunity for us to simply convince NATO that we would just take a right turn and we would be still in Europe but we would now be in the former Yugoslavia.

I believe that in so doing we were camp followers. The red book indicated that we were no longer going to do that. We joined every UN mission we could get involved with regardless of of the criteria or whether we could achieve a goal.

Most of us would agree that we cannot do that any longer. We have to develop a set of mandates. We have to look at and analyse what the criteria should be. We do that for a number of reasons.

• (1925)

The original mandate in the former Yugoslavia was humanitarian aid. I do not think there is one person in this House who would not say they have the same sense of feeling seeing those children and women, those people maimed in the terrible war that has gone on.

I do not think the human atrocities we read about and see so graphically on CNN and other newscasts affect any of us any differently. They are terrible. It would be wonderful if they did not happen in the world, but the atrocities are still going on. They go on at night. Seventy young people are bombed because they all happen to be in a restaurant at the same time. Those atrocities make us question the mandate, they make us ask if we are really stopping anything in terms of humanitarian aid.

We also have to ask what we are doing about the peace process. Obviously we have encouraged and we have tried to help. We would do most anything. Our troops have done a wonderful job of trying to prevent the sorts of atrocities we have talked about. I do not believe we are delivering a peace process any longer. I do not believe there is a will for that peace. I am not even sure our presence is not prolonging a potential peace.

Some might say there would be massive killing. There might be, but maybe they do not have the stomach for that either. Perhaps they are simply carrying on with that killing in a slow fashion because we are there. It seems that one month one group is leading the charge and is ahead and then the other group comes along and moves ahead. We feel sorry for one side or the other, but I am not sure we are preventing or stopping any of it and that is the problem.

If we were at least keeping the warring parties apart, if we could somehow form that wedge as we used to do in peacekeeping, even then we could understand our role better. Each piece of the mandate seems to have fallen apart.

We are not able to deliver that humanitarian aid. It is not happening. We can feel terrible about it but we are not getting through any longer. The Sarajevo airport is closed. We are not getting supplies in. The UN peacekeepers are being fired on. They are all literally hostages. Some of them are confined to barracks. Some of them have mine fields around their barracks.

Warring parties are fighting now full bore and are going after each other. They are having spring offensives, summer offensives, fall offensives and the war is carrying on. I cannot imagine being a peacekeeper and watching that sort of genocide. I cannot imagine not getting involved. I have to give our peacekeepers credit for not getting involved when they see that happening in front of them. It is obviously due to the discipline and training they have received.

The Canadian peacekeepers are the best in the world. We cannot debate that and it is not the issue. It goes without saying that we are grateful for their skill and ability. It certainly hurts us when someone says that we are running down the Canadian peacekeepers. None of us is doing that nor do we intend to.

Canadians are saying that enough is enough. They have had enough of this war. We have been there three years and we are no closer to peace today than we were three years ago.

We are sometimes compared to the French and the British. After all, we have the third largest contingency. However we cannot be compared with them because the French and the British are closer to home. They have naval forces and air forces there. They have brand new equipment. I know from talking to the British about the equipment they have that it does not compare to ours. Let us not be compared to them because we are different.

Consider the spiralling costs of this whole thing. What does it cost Canadians and what have we achieved with the expenditure of that money? The danger has increased in Bosnia. When I listened to the Prime Minister's speech last Wednesday he said that nothing much had changed in six months. I could not believe it. No one said that other than the Prime Minister.

• (1930)

We have mentioned the lightning rod in this whole issue, which is the picture of Captain Patrick Rechner chained to a post at the ammo dump. That is the lightning rod that has Canadians involved in the issue. I do not think we can emphasize how much.

A similar lightning rod turned the Americans away from Somalia when they saw their GIs dragged through the streets. I do not think it is that much different. We feel patriotic and say: "That is one of ours they are humiliating". We feel the love of country and say: "They cannot do that to us. We cannot be humiliated that way". That is the feeling that wells up and that is why Canadians are now so involved in the issue.

The Reform Party warned that the war could escalate and time and time again asked: "Will this not happen?" The minister is right, we did start by saying: "Let us go and do what we can". However we came to the conclusion some time ago that we could not accomplish the mandate and we were not equipped to stay and carry it out.

As well, we have been assured there is a plan for getting our troops out. Assurances have been given four or five times during question period that there is a contingency plan in place. Canadians need to know and believe that. It cannot be just an answer to a question in question period. They want to know about the contingency plan, not that it will not work, but to know and have confidence that the plan is in place.

Canadians are shocked, outraged and humiliated by what is happening. Canada does not need a Vietnam. We talk about escalation. I want to quote from a CP story that came out at 3.15 this afternoon. "Britain with 3,300 troops in the UN force was to start sending more troops to Bosnia today. About 1,200 soldiers are to be sent within three weeks and 5,000 more were placed on alert for possible duty".

Canadians will ask: Why would we want to be in that escalation of this no win war? The Germans were in the former Yugoslavia, tried to subdue the problems there and did not succeed. Why would we want to get involved in any escalation, if the story is true? That is what people will be asking.

We must have a reason for being there. We have to feel that we are accomplishing something. No Canadians want a repeat of the scene of the past few days of the soldier chained to the post. That is the graphic lightning rod that gets people involved in this issue.

Look at what happened to the Americans. They pulled out of peacekeeping and will not go back for many years. It has hurt world peace because the American people responded so violently. We could say it was wrong that the picture appeared in every newspaper but it happened. Another picture has ignited emotions in the people of Canada. I really believe it is true. What do I base that on? Nothing large or scientific, just a feeling I get from what Canadians are saying.

I have been asking people, as well as the minister and many MPs, what they think. I will give a couple of examples. On a BCTV phone in show over 90 per cent of callers, over 3,000 people said: "Pull out"; 211 people said: "Stay in".

I was on the Anne Petrie show on Friday night and every single caller said to pull out. I was on four phone in shows today and every caller said pull out. Canadians are getting involved. They are concerned and are saying: "We are not prepared to risk Canadian lives for this cause". We should push for a multilateral withdrawal. That is the only obvious thing to do. However, I think the Minister of Foreign Affairs should be pushing for withdrawal, not escalation. The biggest thing we should be pushing for is negotiation. In that way we can make sure the situation does not escalate and involve the Russians, the Turks or the Greeks. That is where the diplomacy needs to occur. That is where the emphasis should be.

• (1935)

I do not believe we should be waiting to see what the French President or the British Prime Minister are going to say. We can show some leadership.

The government says it will not cut and run. However, what we we need to emphasize is that Canadians have served bravely for years. We have done everything possible to keep the warring parties apart and to try to get them to find some sort of peace. We have delivered humanitarian aid to the best of our ability and it has been great in some areas.

The UN secretary general has said that the UN mandate is not being fulfilled. We all agree with that. The hostage taking shows the Bosnian Serbs have no respect for UN peacekeepers. Withdrawal makes common sense and would in no way be a humiliation for Canada. We should emphasize that.

Canada is not a member of the contact group. The minister has said that is not the way it should be but that is the way it is. The Prime Minister admitted today that Canada was not consulted before air strikes were carried out even though the UN must have known what the Bosnian Serbs would do. It is a disgrace that Canadian lives are being threatened and the UN does not even consult us. That should not happen.

The government already has said that Canada will not withdraw. I then feel rather disheartened by this debate. If we are not going to withdraw then obviously the government is not willing to listen to any other ideas. It is sad that the government had to be forced to hold this debate. We were told: "Let the third party use one of its opposition days". More than just the third party is interested in this issue. Hundreds and thousands of Canadians are interested in this issue.

If the government learns nothing else, let us at least say that we must set some criteria. We must know how long we are going to be there, how much it is going to cost, the minimum goals that we will agree to, the conditions under which the mission will be scrapped and provisions for parliamentary approval of peacekeeping missions in the future.

As has been said many times, we cannot be the 911 number for the world. How many hot spots are there? What is coming next? We need those criteria now.

There are still opportunities for Canada. Canada should be in peacekeeping. We are good at it. We are proud to be peacekeepers. However, it must be targeted and the criteria must be in place. Although we would like to help out in Bosnia, all of the things we have seen have illustrated that we just are not able to be peacekeepers in that area any longer.

The Canadian people are demanding leadership from the government. It cannot bury its head in the sand and wait for Britain and France to make a decision. The UN mandate is a flop. Our peacekeepers are extremely vulnerable and getting more vulnerable every day. With no peace in sight the only fair

thing for the government to do is bring our peacekeepers home. I know how difficult it will be. However we did have a president of the United States come to this place and say that he would help to make that happen. It is not cap in hand, it is reality and it is saving Canadian lives.

At the NATO meeting tomorrow the government should call for a multilateral withdrawal. It should work with our partners to bring it about as quickly and as safely as possible and then get into the job of negotiating. The emphasis should be on diplomacy. The emphasis for us has to be on what kind of future laws and administration we can put in place to prevent the atrocities that people visit on one another. We must do that in the world. I realize it is easier said than done. However, we must have that mandate. I believe we have to try. I believe no Canadian needs to hold his or her head down. I believe that those troops should and must come home.

• (1940)

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I am pleased to have the opportunity to participate in this emergency debate on the very critical situation which Canada and the leaders of the world face in Bosnia.

I am very pleased the government has lived up to its commitment to allow the House of Commons, the Parliament of Canada, to participate in an emergency debate in situations like this in anticipation of decisions which have to be made this coming week and in the weeks to come on this very difficult situation. It is not something that happened in the previous Parliament in which I participated and I am pleased that we all have the opportunity this evening.

Unfortunately, we do not have any Solomon or Solomina to enlighten us on a path through the darkness which we call Bosnia. It requires the opinion and the reflection of all of us to come forward with some ideas about how Canada can best move through the emergency situation with which we are confronted today.

Recent events compel us to confront the realities of the situation on the ground in Bosnia and our responsibilities as members of the international community. I welcome the opportunity. However, I would like to acknowledge before I begin to explain the values, the principles and the priorities of the government, the participation of many of my constituents and so many other Canadians in the Bosnian situation. They serve with pride and they deserve distinction in that arena as they do in so many other peacekeeping arenas around the world.

I have had the privilege of visiting some of our peacekeepers on the ground in different parts of the world. In our very simple, informal conversations together they cannot know the pride I have in what they are doing and the gratefulness which I experience on behalf of myself, my family and all Canadians for the great contribution they make for us to the world and its peace.

We must first acknowledge that in the Bosnian situation the belligerents on the ground are well aware of the consequences of their actions and of the CNN world. The Bosnian Serbs have improved on the practice of Saddam Hussein in ensuring that their uncivilized treatment of UN personnel is broadcast repeatedly to every country whose soldiers are now held as human shields. Such barbaric practices, which the UN has rightly characterized as worthy only of terrorist organizations, are repugnant.

As the Prime Minister has underlined, Canadians are not quitters. We will not cut and run. We will not give in to blackmail. We will uphold those principles which the blue berets represent, unarmed military observers or UNPROFOR troops. Canadians have persevered through two other similar incidents. As we speak, our commanders on the ground and UN staff are negotiating the release of those held hostage and detained. However, all Canadians are surely right in asking: How did we and the UN come to this point? What can be done about it? How can we prevent a recurrence of these outrages?

My colleague across the floor just asked a few minutes ago: Why did we go to Bosnia? I consider that he gave a very cynical answer to that question. Canada was one of the first to call for UN intervention in the Yugoslav conflict. Canada has responded generously, both in support of direct humanitarian assistance and through our contribution of Canadian forces on the ground. Our aim has been to provide relief to the victims of the conflict and to help stabilize the situation so the negotiators could achieve a peaceful settlement.

• (1945)

We will not take sides and our practices on the ground are recognized by all parties to have been exemplary. From the outset we recognized the risks. Each of the 10 deaths and numerous casualties has reinforced the reality that UN missions, especially in the former Yugoslavia, are not for the faint hearted.

We are committed to the UN mission in the former Yugoslavia provided our forces do not face unacceptable risks. The purpose of this mission is to help stabilize the situation on the ground and in so doing help create conditions where negotiations can succeed.

We do not accept that the outcome of this conflict on the doorstep of Europe should be solved by armed force, either by the Bosnian Serbs who control 70 per cent of Bosnia's territory or over time by the Bosnian government which despairing of the diplomatic process may hope to regain territory by force.

Hence we have consistently opposed the lifting of the arms embargo and have been resolute in supporting a series of diplomatic efforts aimed at achieving a negotiated settlement. That this has not yet occurred is not cause for despair but for continuing resolution.

Those who advocate a general withdrawal of forces seem indifferent to the risks of such a move; a rapid escalation of the conflict with the threat that it would spread north and west to Croatia, south to Kosovo and the former Yugoslav republic of Macedonia, beyond to involve NATO allies. Responding to such crisis would require a quantum leap in the number of forces and assistance Canada and its allies are currently providing in the former Yugoslavia.

The current crisis should also not obscure the very real achievements of UNPROFOR. The UN succeeded for many months in keeping the Sarajevo airport open for humanitarian assistance. At the local level, as any visitor to CANBAT II in Visoko will testify, UN blue helmets have brought vital humanitarian relief to the most defenceless of civilians such as those in the hospital for orphans in Fojnica.

Our intervention has meant the difference between local misunderstandings flaring into broader scale conflict. Canadians and other UNPROFOR forces have been carrying out this process of building peace from the bottom up by ensuring local ceasefires work, patiently and behind the scenes.

Perhaps our most notable success has been the endurance of the Croat–Muslim ceasefire, now over a year old and still holding. Patient negotiation that has meant local farmers could plant and harvest crops and the demand on international agencies to meet basic needs are increasingly being filled by normal commerce.

Our presence, as in Srebrenica, has prevented a recurrence of the gross violations of human rights we now know as ethnic cleansing and the deliberate mass rape of women as a means of pursuing military ends. Without UN eyes the sheer violence and destruction of this conflict would have been far worse.

We must acknowledge that short of a more comprehensive diplomatic solution, these local initiatives and successes cannot endure. The recent actions of the Bosnian Serbs strike at the very heart of the UN mission.

This is why Canada and our Prime Minister have been so active in recent days trying to ensure the mission continues with Canadian participation but with greater effectiveness and greater security for our forces.

I will outline some of the government's thinking at this point and welcome members' comments. We need to avoid the wide dispersal of troops on the ground. Once the current hostage crisis is resolved we need to concentrate our efforts on those parts of the mandate that we can actually achieve under the current circumstances.

We need to consider withdrawing UN military observers from territory where they have been repeatedly threatened and harassed. We are prepared to be more forceful on the ground in responding to harassment and violations of UN security resolutions within the means available to our forces on the ground.

The government and I believe all Canadians want to be actively engaged in the key foreign policy issues confronting the new, post–cold war era. In the Yugoslav crisis this has meant substantial commitments on the ground and substantial risks.

• (1950)

We are not prepared to retreat when pushed. We remain committed to a solution which safeguards the rights of all communities within the states of the former Yugoslavia and a more secure and stable Balkans. In the final analysis, this is in our own long term interests as a multi–ethnic trading nation and a key partner in the community of transatlantic values.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am delighted to participate in this debate tonight. It has been two months since we last debated this issue. I have listened intently to presentations. While I do not agree with all the aspects, they have been instructive. I think it is beneficial to the Canadian public to witness this debate. I do respect even the points I disagree with.

Very quickly I want to review where our troops are and how many are there, give some indication of the successes we have had to date and then give a personal aspect of this because I and other members of the House were in the area of which we speak last year, and because of the connection of the number of people from my province who are represented throughout the region.

I want to look at the participants we have in the area of ex–Yugoslavia. We have roughly 40,000 military personnel. Canada has 2,100 on the ground and 234 on the HMCS *Montreal* doing a patrol in the Adriatic. They are located in a number of main positions.

There are three main positions. A mechanized battalion group of 757 personnel is in southern Croatia. These personnel are involved in traditional peacekeeping, separating two closing forces. The next group is a battle group of 825 personnel near the Sarajevo area, actually stationed in the camp in Visoko which we hear was recently shelled. This group provides humanitarian aid, manning observer posts, the main group from which the hostages or detainees were taken.

The third group is a logistics battalion group in the southern part of the area based in Primosten. Its function is to provide logistic support to the other two groups.

In addition, we have a headquarters group in the Zagreb area and other areas. Basically we have a total of about 230 personnel acting as headquarters groups. We have 20 observers in various groups throughout the ex–Yugoslavia area which regrettably is

the area the two hostages, Captain Rechner and Captain Lapalm, are from.

I say with the deepest of conviction the hearts of all members of Parliament go out to their parents and theirs friends and relations for the dedication and suffering they are going through. We certainly appreciate it and understand the difficulty.

It is very difficult to put into perspective, with the hardships and difficulty we are going through right now, what good we are doing. I want to recount a number of areas I and other members of the House are familiar with. We have spoken about the Sarajevo airlift. The Canadian forces have kept that airport open since July 1992. We remember CNN photographs of the difficulty these aircraft had landing under fire, unloading under fire and taking off under fire. It was not an easy situation. We had a total of 1,775 flights transporting more than 12,000 personnel and 25,000 tonnes of supplies. Most of this was humanitarian aid. The total dollar value was around $60 million.

In addition, Canadian forces personnel have been actively involved in many humanitarian efforts up to and including the distribution of firewood, clothing, supplies and building materials to all three warring factions.

• (1955)

The work has two purposes. The first is to provide much needed help to the local civilian population to which our hearts really go out. The second is to develop a sense of trust and goodwill between the parties and UN personnel, including the Canadian contingent.

I will give some other indications of the work that was done. I know some hon. members saw a situation in Vacovici where there was a hospital for mental patients. As a result of the conflict not too long ago the patients were murdered, raped and set on fire. It is almost too vicious to bring to the floor of the House. When we were there as part of the parliamentary special committee, Canadian forces were guarding the hospital to make sure the surviving patients were looked after. One would have to have a very hard heart not to be moved by this aspect of what we are doing in humanitarian aid.

On a daily basis Canadian peacekeepers do a lot to relieve the pain of children as well as handicapped and abused individuals. Last Christmas Peacekeepers left their base for the Filip Jakov hospital near Croatia's Adriatic coast, close to where the logistic group is, to hand out some 120 teddy bears and dolls to 65 children under the age of 15. That was a pretty great thing to do at that time of the year.

I cannot forget the sailors. HMCS *Halifax* provided aid to a refugee camp in Slovenia. Sailors are well known for their generosity and donated about 50 bags of toys and clothing to the residents of the camp. Eight of them donated four days of their time to do general maintenance, including plumbing, carpentry, roofing and painting. Kitchen repairs were important, as all Slovenia refugee camps were required to buy and prepare their own food. These are some examples that we in the House should remember.

I want to go very quickly to some personal feeling about Canada's peacekeeping, continuing to peacekeep and be involved in peace operations. We all agree we are not talking about traditional peacekeeping operations or peace operations in the general sense.

I am very proud that when I was with the parliamentary committee of 15 members plus staff which did our investigation and spent time in Bosnia and Croatia 25 per cent of the group in Croatia and the main group in Bosnia were from Newfoundland. That is a large percentage. We make up 2.2 per cent of the population and 25 per cent were involved in these two main combat groups. In addition, the ships *Preserver* and *Halifax* were in the Adriatic at the time. It was roughly the same proportion, 25 per cent.

I do not want to draw any conclusions except to say this gives me licence to make some comment in addition to the general comment I would make as a parliamentary secretary.

There are three things that come to mind. While it was not in the former Yugoslavia, as a result of the mop–up operations from the gulf campaign, one soldier in my riding lost his foot in a mine clearing operation. My wife and I went to see his parents within two days after it happened. We were involved in bringing him home and setting up some rehabilitation. Initially we were with his parents for almost an hour and a half and never once did they mention they did not think he should be there. I was really struck by that. I saw them perhaps a dozen times in the course of the next year and a half. That last time was when their son was awarded the 125th anniversary medal. They did not mention it then.

On November 11 last I was in Port de Grave, a district of my riding well known for its fishermen. A gentleman came to me after I had conducted the business with the fishermen and said he wanted to speak to me. He said his son is in Croatia and asked if I could tell him what he is doing. I told him and he said he was proud his son is there.

Tonight I got a call from a minister of the Anglican church in Baie de Verde in my riding who said he knew it is a difficult decision but he believes we should stay there. Those are very important points, and in consideration of the number of Newfoundlanders involved I think they should be somewhat significant in the presentations we are making this evening.

• (2000)

When we did the special committee work, which was eight to nine months of intensive work, we spoke with over 500 Canadians, received 350 submissions, met in 50 or 60 locations. The biggest decision we had to make was whether we would continue our peacekeeping efforts. The decision was yes, based on the evidence we received from Canadians.

It is not an easy judgment to make, but I believe we are there for a reason. It is not easy right now, but I believe we have to stay. I wish it were otherwise. However, there is a difficulty in doing anything other than staying the course right now. Right now there are two Canadian hostages and 53 Canadian detainees. They are being held by the Serbs. If we were to try to withdraw I would suggest there would be other detainees. It would not be an easy situation. We have the fifth–largest contingent out of 35 countries. I can only repeat what the Minister of National Defence said, which is that it is really important that we talk with one voice.

I believe we should stay the course, continue to negotiate, get over this very difficult milestone, and, yes, look at the mandate again and hopefully come up with a better solution for the former Yugoslavia, for Europe, and indeed for Canadians.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I have listened to all those who have taken part in the debate and cannot help thinking of all that they said on February 25, 1994, when we started with a debate on the purpose of peace missions. Here again, we were talking about peace missions and particularly about Bosnia.

I remember very well that either the Minister of National Defence or the parliamentary secretary to the Minister of Foreign Affairs, the members of the Reform Party and the Leader of the Official Opposition reached a sort of consensus that peace missions should exist based on the information we had and what we had seen of the events in Bosnia and the former Yugoslavia. There was no choice but to maintain peace missions and, more importantly Canada's role at that point, which was a humanitarian role supplying food to the civilian population, which needed it desperately and continues to do so.

Today, the debate has changed context. The Reform Party is strongly recommending, I believe, if I have understood properly, that we withdraw Canadian troops from Bosnia and from the former Yugoslavia and that we continue negotiations through diplomatic channels.

I have some difficulty with this position, Mr. Speaker, and I will explain a bit what happens.

The initial discussion on this issue took place in February 1994. These troops, by the way, come in large part from the Valcartier base, which is in my riding. On the weekend, I had an opportunity to meet the wives and mothers of soldiers who are involved in the conflict in the former Yugoslavia. Not once did I hear anyone say that these soldiers should not be there or that there was no reason for Canadians to be there. I heard something else, which I will mention during my speech.

Therefore, as I was saying, 15 months after the February 1994 debate, we are faced with a situation that is even more alarming than when we spoke in this debate. The situation is also a rather curious one.

This afternoon, during question period, I asked the Prime Minister to hold a debate before the contact group meets tonight and tomorrow morning, so that the House can express, through its discussions, a position which would reflect the views of people across Canada and what they expect of their leaders, as well as the opinion of the military personnel who have been there, and have come back.

• (2005)

Then we realized, during the debate and listening to the defence minister's speech, that Canada is not represented on the contact group; in any event, through various channels, we can still have a certain influence. I would like to point out that four to six weeks ago, the defence minister was asked why, given that the Canadian military contribution was the fourth or fifth largest, Canada was not a party to the decision making process of the contact group.

I remember the minister's reaction. He mentioned that, indeed, it was a shame for Canada not to be part of this decision making group and that the Prime Minister would mention it during his trip, with the hope that Canada might take part in those discussions. I believe the Prime Minister forgot to raise the issue because, once again, Canada has been excluded from the discussions. The government policies are very laudable, as the Leader of the Opposition clearly explained. The raison d'être of peacekeeping and of the present mission of the Canadian army in the former Yugoslavia, in my view and in the view of the Bloc Quebecois, is not at issue.

We do not doubt the usefulness of peacekeeping missions nor the effectiveness of Canadian peacekeepers. In fact, as the parliamentary secretary to the Minister of National Defence said earlier, we had the good—or bad—fortune of spending a few days with Canadian peacekeepers in the former Yugoslavia, which probably convinced us even more of the usefulness of their actions.

Travelling in an armoured vehicle and seeing five and six year old boys and girls as well as people working in the fields stop to blow kisses or wave whenever a UN armoured vehicle went by, I realized that these people feel grateful for the positive actions of UN peacekeepers from Canada and other countries.

This debate was requested by the Reform Party. We supported their request, although not exactly for the same reason. As the Leader of the Opposition pointed out, we are in favour of maintaining Canadian troops and peacekeepers in the former Yugoslavia. We could even go back to what was pointed out by the parliamentary secretary to the Minister of National Defence. Indeed, the Standing Committee on Defence spent several months reviewing Canada's defence policy; the Bloc Quebecois, for its part, tabled a dissenting report calling for the reform of UN peacekeeping missions, for an overhaul of the Security Council, and for clearer peacekeeping criteria.

The comments made by the government through the minister and the parliamentary secretary to the Minister of Foreign Affairs show that they have not progressed beyond wishful thinking. They want more concentrated forces, whether it is Canadian troops or all UN forces. We must keep in mind that when Canadian troops left in March as part of the rotation, we asked the UN to keep them together in the Primosten region of Croatia, so that they could fulfil their role in preparing humanitarian convoys and carrying out humanitarian missions.

We realize that, once again, they did not really listen to us. I understand that the conditions are difficult and that the Bosnians, who are using Canadians as an insurance policy in Visoko, might not accept our departure.

• (2010)

I realize that the Serbs are taking advantage of the situation. We will remember that, for months on end, a French speaking Canadian of whom we should all be proud—I am referring to General Dallaire—had been saying that the UN had lost its credibility. The Minister of National Defence himself recognized a moment ago that the credibility of the UNPROFOR and UN missions had decreased sharply.

The Serbs have defied some 150 or 200 UN resolutions, figuring that they had nothing to fear since the UN passes resolutions but does not enforce them. General Dallaire often indicated that the reform process should be intensified and steps should be taken to give this mission and any further mission credibility.

This advice was overlooked and I cannot see in the government position, as stated by the defence minister or the foreign affairs parliamentary secretary, anything more than lip service. The minister spoke of the diversity of approaches being taken, causing some confusion in the negotiations with the Serbs, or the Croats, or the Bosnian. I do not think that the diversity of approaches is to blame, but rather some degree of laissez–faire within the UN.

I clearly recall a statement the Canadian Minister of Foreign Affairs made in New York last summer to the effect that the UN should undergo reform, going as far as suggesting that a standing response force of sorts be established. The Bloc Quebecois supported this idea but it would seem that the defence minister used doubletalk at a time when the Canadian government should have had a single voice.

I would like to add that I do not think that the Quebec and Canadian troops deployed over there are not proud to be there, as both the minister and the parliamentary secretary mentioned earlier. Among them are some 1,800 troops from the base in Valcartier. I have met members of their families. This is a second or third tour of duty for many of them and all of them are proud to do what they have to do. They are proud of what they have accomplished as well.

At times, they find the limited latitude and flexibility the UN gives them frustrating. Some individuals made revelations upon their return and there have been descriptions of barbaric acts said to have taken place in this region of the former Yugoslavia. Unfortunately, during that period, some journalists exploited the situation and said that peacekeepers were there to count the bodies. I think that some individuals were very affected by the atrocities, the killings and the bloodshed which they witnessed, as well as by the fact that they could not intervene.

Today, we expected to hear that Canadian peacekeepers would remain in Bosnia because Canada agreed to carry on that mission. The troops participating in this exercise are proud to do so. They were not forced to do it. They are there of their own volition because this is their job and they want to do it. However, they have been asking for a number of things for months and even years. In that regard, the government should have shown more leadership vis–à–vis the UN or UNPROFOR.

It is a fact that Canada, and consequently Quebec and Quebecers, is the country which has participated in the largest number of peacekeeping missions since the UN was established.

• (2015)

Canada has gained expertise and, as mentioned by a government member, Canadian soldiers are undoubtedly the best in that role. However, they too are asking their government to show some support and leadership. They want more leeway in terms of their power to intervene. Unfortunately, given the four criteria mentioned by the Minister of National Defence, I do not really see how their situation will improve.

The Leader of the Opposition mentioned that if Canadian soldiers have the right to die when they take part in these missions, they also have the right to a voice on the contact group, to a say in UN decisions.

On a number of occasions, we have asked about the measures being taken to ensure the safety of certain individuals and so on,

and the government members have said that discussions were being held with members of the Security Council or the contact group.

Given the importance, the expertise and the talent of Canadian soldiers, I have great difficulty understanding why Canada is not represented on the contact group, which is negotiating what is taking place on the ground where Canadians are present, and why it can express its opinion only indirectly.

Even this afternoon, the Prime Minister told us that in the case of the decision regarding air strikes, he was consulted only indirectly. This is all becoming a bit troubling. There is something else we should be thinking of—and many have spoken about it—but with respect to the families of these soldiers, at the risk of repeating myself, I have yet to hear, after the events that have taken place, a mother, wife or brother telling me: "Pull them out of there, it makes no sense, we cannot leave them there".

On the other hand, I have heard that there should be greater latitude, and improved equipment, communications and protection for these soldiers. Having worn a bullet proof vest and a helmet, I would suggest that, instead of wasting money on submarines, we see to it that our soldiers are properly equipped for our peacekeeping missions.

In closing, I would like to stress in this debate that in the current context of austerity, the public is finding it difficult to understand why we are sending troops. The public realizes that there are humanitarian grounds, but still has difficulty understanding why we are doing it, given Canada's current financial woes. The public would also like to see that if Canada really is going to take a leadership role, that we enforce it and make it stick.

I would also like to stress that the Bloc Quebecois, as the Leader of the Opposition already said, wholeheartedly supports the soldiers stationed in the former Yugoslavia, who, for the most part, come from the Valcartier base. I admire the role that these people are playing—I saw it with my own eyes. I also admire the courage of the families of these people who are currently in a relatively difficult situation.

Lastly, I urge the government, through the Minister of Foreign Affairs, the Prime Minister or the Minister of National Defence, to take a leadership role in the UN, and to stop beating around the bush and waffling in discussions. We know very well what modifications Canadian generals requested regarding the UN. We know very well that the Canadian contingent which replaced the other one asked for a concentration of forces. I think that Canada should make this a condition for its continued support. Moreover, before participating in any other peacekeeping mission, Canada should carefully consider its conditions, and stop going about it piecemeal, as it unfortunately does all too often.

• (2020)

[*English*]

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I am grateful for this opportunity to intervene in a debate that has been carried forward at a very high standard and in a spirit of constructiveness. It has a special interest for me as an international lawyer, very briefly as a flyer when I hear politicians calling for air strikes, and not least as somebody who has known the former Yugoslavia over a period of 30 years. I have had the privilege of lecturing at the universities and academies in Croatia and in Serbia on federalism and how to keep the state together, because it was inevitable that once Tito died it would go. I have been most recently in Macedonia meeting with government officials and lecturing to the University of Thessaloniki on post–succession Yugoslav problems.

There are two problems that need to be separated. One problem is the immediate and short term one, which is getting our peacekeepers who are being held hostage out safely. That is a short range problem, which calls for special skills. I must compliment the minister on what seems to be the government's approach. I just came in by plane and am dependent on press reports. We are exercising quiet diplomacy, and that may include bilateral talks with people in the vicinity, with para–governmental groups in Belgrade and elsewhere. It is a very necessary part.

I do hope that the government will persuade some of our friends and associates who talking about air strikes, particularly when one has no ground forces oneself in the locality, is not the most constructive way of getting the present peacekeepers home safely. Quiet diplomacy on this particular issue has its merits.

I want to return to the larger problem, which is the problem of the breakup of the former communist republic of Yugoslavia and what to do about it. I appreciated the valuable comments of the leader of the second opposition party and his suggestions for international law making. I would simply say, as an international lawyer, that the larger issues he raised are already covered quite adequately by the law of war and there is nothing a UN resolution would add. In fact UN resolutions, according to most views, are not law making; they are declaratory. If it becomes a weak consensus resolution it is possible it could damage the quite specific and in my view quite mandatory provisions of the existing law of war. However, the suggestions he made were constructive, and I think reinforcing the existing law is something the government would want to take notice of.

The problem with Bosnia is the larger problem of an artificial state that was created by two great congresses, one in Berlin in 1878 with the threatened breakup of the old Ottoman empire,

and again in Versailles in 1919 in the World War I peace treaties and the special ones that related to the creation of the new multinational state of Yugoslavia.

It was apparent, since that state required compromises to create it and required in many respects a strong authoritarian government to keep it together with the royalists between the two world wars and Tito's government under the communist regime, that if it broke up the territorial frontier and other settlements that were included in it would have to be re–examined because they did not follow natural ethnocultural lines or even necessarily recognize the lessons of the quite different histories of the disparate parts.

One of our problems here is that we have been operating and the UN has been operating under the guise of a classic peacekeeping operation, but the issue of political motivation has come in. It is inconsonant with peacekeeping in the classical sense to have a particular political agenda. I think one of the problems has been that several of the main players have had a political agenda, which has not necessarily been fully thought out.

I have not been happy from the beginning with the UN proposals, which seem to me to run in the face of all the teachings of good federalism and constitutionalism for multinational states.

• (2025)

I was not happy with the U.S. policies once they left the original Eagleburger proposals for keeping the old multinational state together. That led to some strange decisions on the Skopje republic and elsewhere that we now in a certain sense have to live with.

I think the western European powers too tended to revive conflicts pre–1914 when the Quai d'Orsay and the Wilhelmstrasse had competing views of the future.

Our Canadian position is one entered into by the predecessor government. I think it was entered into in good faith but hurriedly and perhaps naively not insisting on a clear definition that if there was to be a political mandate what it would be, and participation not merely in the definition of the mandate but in its redefinition and restatement to meet changing political conditions. I think that is where a good deal of the problem lies.

I would raise again the position we put forward in Parliament in March debate. Facts are created by actions of states, and once Canada entered into the Croatian–Bosnian situation the normative quality of the facts took over. We have become players, and it is not a situation we can abandon overnight without notice to all the people who are dependent on us. It would be dishonourable and it might create more chaos than I think would come from pursuing other alternatives.

While the government is looking for advice, and in the spirit of constructiveness that I think both opposition parties have shown, let us look to what can be done for the future. I think there must be effective Canadian participation in the political decision making in the future, including participation in the issue of whether to have air strikes. That is something in which Canada must be involved. It may be too late, because constitutional machinery has a life of its own, to become part of the contact group, although that can be explored, but new and parallel decision making structures can be created and it is my understanding that our foreign minister at the moment is pursuing that in Europe. It seems to me that if we maintain the commitment that must be a necessary corollary of it.

I would stress again the need for a comprehensive plan for post–communist Yugoslavia. I think it was a mistake to get into the business of the breakup of Yugoslavia without clearly defining the territorial frontiers of the new entities or without, in the alternative, setting up an objective process for establishing those frontiers in the future. Adequate means exist under international law for the definition of territorial frontiers. There are international courts and international arbitral commissions. Indeed, I have argued before that the Versailles related treaty and Saint–Germain–en–Laye provide just such a machinery.

One of the great advantages, if we can get agreement on establishing the process, is that we make an ally of time. In essence, the situation becomes jelled legally and the parties can work together and bring their arguments forward. However, I do not believe we are going to get a lasting conclusion in the Balkans until we get a global view, in the regional sense, of the whole Balkans and what we are going to do with post–communist Yugoslavia. It is not our fault that this was not done in 1990–91. The previous government made the decisions and the present government honoured those obligations. It could do no less, as they were entered into by the previous government. We are a part of the situation. We are players. I am happy to say that we are not players in the sense that the Americans were in the Vietnam war, caught and sort of dragged along by the currents of history.

I think the essence of Canadian policy is that we are pragmatic and that we re–examine. In the short range, let us talk directly where we can in terms of getting our peacekeepers out safely and soundly, but let us consider the long range issue as well.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I would like to begin by saying that I agree wholeheartedly with the leader of the official opposition and my own minister that we should keep our troops in Bosnia as long as possible, as long as it appears they are saving lives. In the context of the hostage taking, I think we have another reason for firmness. We must show the world and certainly countries like the former Yugoslavia that the civilized world even in situations

of war will not give in to tyranny, blackmail and barbarism. That is what we are seeing with these hostage takings in Bosnia today.

• (2030)

The member for Calgary Southwest made the observation in his remarks that Canada should be going to the United Nations and seeking some kind of special resolution that would condemn hostage taking as a crime against humanity. I certainly sympathize with his remarks in this regard because we are appalled by what has happened in the former Yugoslavia. I do point out that there are already United Nations statutes on the books that make what is happening in Bosnia today a crime.

I refer to the Universal Declaration of Human Rights which comes out very forcibly against this type of hostage taking. I refer also to the International Convention against the Taking of Hostages, again a United Nations document that very clearly condemns what is happening in Bosnia today. Most especially I refer to the Geneva convention relative to the treatment of prisoners of war. The reason I cite that is that the two other pieces of international legislation deal essentially with the taking of civilian hostages. The Geneva convention relative to the treatment of prisoners of war deals with military personnel.

I realize in this instance the UN personnel, the Canadians and the soldiers from France and other countries are not combatants in Bosnia. They are quite the opposite. It would be normal, seeing that they are military personnel, to accord them the same rights as would be required had they been combatants and had they been captured by the troops of either side but in this case, the Bosnian Serbs.

I would like to read an excerpt from the Geneva convention relative to the treatment of prisoners of war which will put some of what is happening in Bosnia in context. Article 3.(1) deals with a war situation, and certainly we have a war situation in Bosnia at this time. It begins: "Persons taking no active part in the hostilities, including members of armed forces who have laid down their arms and those placed hors de combat by sickness, wounds, detention or any other cause shall in all circumstances be treated humanely".

It goes on: "To this end, the following acts are and shall remain prohibited at any time and in any place whatsoever with respect to the above mentioned persons: (a) violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture; (b) the taking of hostages; (c) outrages upon personal dignity, in particular humiliating and degrading treatment". We have certainly seen an instance of humiliating and degrading treatment with one of our Canadian soldiers chained to a post in Bosnia. Finally, "the passing of sentences and the carrying out of executions without previous judgment pronounced by a regularly constituted court".

If our peacekeepers are killed because there is a NATO strike and the ammunition is dumped where our soldiers or any other peacekeepers are chained to posts, then I submit it is certainly a crime against the Geneva convention relative to the treatment of prisoners of war.

There is an irony here if we look at the historical context and go back to the second world war. The Geneva convention I made reference to springs out of the 1929 Geneva convention. The situation in the second world war was that Nazi Germany by and large applied the rules of the Geneva convention relative to the treatment of prisoners of war on the western front but ignored it on the eastern front. When the Germans invaded Yugoslavia all kinds of atrocities occurred. The result of that was the situation of ethnic hatred and the killing and brutality we now have in Yugoslavia.

• (2035)

In the context of what is now happening in the former Yugoslavia, we come back to Captain Rechner who we saw chained to a post. I take the words of the Minister of National Defence very much to heart.

Captain Rechner is an example of civilized military behaviour in a country that has lost sight of civilized behaviour, where brutality and tyranny has a grip on the people. I know I cannot show it but I have a picture here of this young man, Captain Rechner, with his arms around a post and he has a look of defiance. This is not a defeated soldier. This is a soldier who is winning. It is a message to the world.

I very much support what our Canadian peacekeepers are doing over there. We can be very proud of them.

I would like to address another point raised by the minister of defence. He said that Canada, along with some other countries involved in Bosnia, has to reconsider the UN mandate. I would like to give him certain words of caution.

He made three points. He said there may have to be a reconsideration of the conditions of the use of force. He suggested that possibly more air strikes might be permitted. I suspect, although he did not actually say it, that he is also talking about broadening the rules of engagement for peacekeepers over there so they can defend themselves in a broader range of circumstances rather than being captured quite so easily.

The second point he made was to withdraw the unarmed observers. I am not sure that is a good idea either. Again, those unarmed observers are an example to the Bosnian Serbs that we are a brave country that believes in peace and we are not afraid to go out and enforce peace. We might send the wrong message if we take those unarmed observers away, even though they are at great risk.

Finally, he made the point that troops might be deployed to better defend themselves. I would like to combine that with his point about using a bit more force and remind him that throughout the history of this kind of warfare, this has been a formula

for escalation. There is always a danger in telling soldiers that they can step up their violent response a couple of notches. What happens is that the response from the belligerents increases in violence as well. There is a classic example in recent history of this type of thing occurring.

The problem is that if Canadian peacekeepers are concentrated in one defensible position, it becomes more of a target for the type of action which has occurred over there recently and it becomes a costly target. It becomes a temptation to attack that target in order to involve the countries in rescuing the target.

I point to the example of the experience of the French at Dien Bien Phu in Vietnam where there was an enclave and the French put everything they could into it. The terrain was very similar to that of Bosnia. It eventually collapsed.

I present a word of caution and I hope the defence minister and the cabinet will give very, very careful consideration to the dangers of any kind of escalation.

I conclude by saying that the example of bravery on the part of our Canadian troops goes further than guns will ever go in establishing peace in that land. Canada has a long tradition of requiring bravery of its soldiers. That bravery ultimately saves lives.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, in commencing my remarks, I would like to advise the House that I will be splitting my time with the hon. member for St. Albert.

I am pleased to participate in the debate tonight because it appears to be an non–partisan debate. It is one that is of genuine concern to Canadians and one that should be treated as a Canadian problem to which all of us are keen to find a solution.

• (2040)

It is important to point out there is a substantial difference between a retreat from a battle that is being lost and a withdrawal from an operation that is not succeeding. There are many comments made that the UN, if it should withdraw its troops from Bosnia and the former Yugoslavia, would be admitting defeat. I contend that is not the case at all. The UN would be recognizing that what we are doing right now is not working and therefore, we have to try something different.

The fighting in the former Yugoslavia broke out in the summer of 1991 when Croatia and Bosnia declared independence. Canadian forces were committed in April 1992, supplied initially from our Lahr detachment. They went first to sector west, then were subsequently moved from sector west to sector south.

I would like to point out the excellence of our Canadian troops. They were asked to do this because no other force there was considered capable of doing it. The force that did this move in record time was a force of combined regular and reserve soldiers, in fact a very high percentage of reserve soldiers. As a result of doing it, they were awarded the commander's commendation.

Our commitment in the former Yugoslavia was to peacekeeping in Croatia and to humanitarian assistance in Bosnia. We also committed a logistics battalion to the Dalmatia coast at Primosten.

Canadians have been involved in all aspects of the operations in the former Yugoslavia. We have a large contingent in Zagreb which provides co–ordination and administrative support. We have ships and have from the start had ships committed to Operation Sharp Guard in the Adriatic. At one point we had a supply ship and a frigate. At the moment, HMCS *Montréal* is in the theatre and I believe it will be replaced by HMCS *Ville de Québec* in July.

Also supporting Operation Sharp Guard were Aurora aircraft, two aircraft from the home base at 14 Wing Greenwood, Nova Scotia and two from 19 Wing Comox, B.C., on rotating commitments. This commenced in September 1993 and ended in May 1994 but has just been renewed for a four–month tour. There will again be two CP–140 Aurora maritime patrol aircraft patrolling the Adriatic Sea in support of operation Sharp Guard.

The Parliamentary Secretary to the Minister of National Defence has referred to Air Bridge, the resupply operation which has brought absolutely crucial supplies to the relief of not only people in Sarajevo, but throughout Yugoslavia. They have in the period of their commitment since July 1992 moved 11,600 passengers and 23,150 tonnes of relief supplies to Sarajevo. To give some indication of the mammoth task, a Hercules will carry only 20 tonnes at a time, which is well over 1,000 flights in and out of a very critical airfield that is quite often subject to harassment fire and direct fire.

Our personnel with the airborne warning and control system in Geilenkirchen have been supporting operation Deny Flight which is to keep the air forces of the factions in Yugoslavia out of the fight. With one small exception which ended very quickly, they have been absolutely successful in doing that.

Furthermore, Canadians were among the first deployed to Macedonia in one of the most successful operations to prevent the escalation. This has worked extremely well and we only hope it will continue to do that. Canadian forces are not only well trained, they are well respected. We operate in the only area, I believe, where a UN force is contending with all three segments of the population in the former Yugoslavia, the Croats, the Serbs and the Muslims. It is difficult to do that because they

look with great suspicion on the armed forces there as to whether they are showing favouritism or bias to one or the other elements.

• (2045)

Canadians have proven and established themselves as reliable to the three protagonists. As a result they are able to effect a far greater degree of resolution of problems than some of the others committed to areas there.

This has not been an easy situation for Canadians. We have 2,600 people basically committed to the area in question. Our people have been harassed. On three different occasions hostages have been taken. Early on almost a dozen were held hostage by some drunken Serbs who fired not at them but around them and really got their attention.

We had 50–odd held hostage in and around the town of Ilijas before and once again we are finding ourselves with 53 in that area curtailed and 2 others, 1 in Sarajevo and 1 in Pale, who are actual hostages.

This seems to prove the UN under the current circumstances is impotent. The UN established six safe areas at Bihac, Gorazde, Sarajevo, Srebrenica, Tuzla and Zepa. We all know what happened last week. There was an artillery shell into Tuzla and 70 people were killed. Every day in Sarajevo people are wounded or killed. In Srebrenica the same thing happened. This seems to happen because there is no respect for the UN capability to respond and prevent this. That was also evident when the UN agreed to the air strikes against the ammunition dumps, and the Serb reaction was not only predictable, it was almost automatic.

This is an indicator that the UN has to rethink the way it will attack or move to resolve the Yugoslavian situation. The suggestion from the Reform Party to withdraw Canadian troops and preferably all UN troops is not to say we want to wash our hands of the whole area or wash our hands of the situation. That would not be right and proper. We are saying this is not working therefore find a better way to do it.

It could be said if we withdrew all UN forces from the former Yugoslavia that air power, the ability to survey and strike against actions by any of the three protagonists which were contrary to directed input from the UN, could be quickly struck and would show very quickly they cannot do this without retaliation. It would take away from the Serbs or the Croats or the Muslims the ability to take a UN hostage and therefore say: "You cannot do this or you will lose your hostage".

The government seems to have failed to establish criteria for what Canadians are supposed to achieve. There are no measurements scales that say we are winning, losing, we are accomplishing what we went there for. All we see really is that we are there for peacekeeping in Croatia, humanitarian assistance in Bosnia and that neither one is working particularly well.

We also hear different messages. We hear the minister and the Prime Minister say air strikes are okay. We also hear from our UN ambassador that the Canadian government is opposed to punitive air strikes against Bosnian Serbs and that air strikes as NATO carried out last week were not useful. It would be nice if everybody were on the same net.

In responding to our UN ambassador's statement, Bosnian UN ambassador Muhamed Sacirbey is quoted as saying: "Those who are not prepared to fulfil their mission in Bosnia–Hercegovina to defend their troops, to live up to their commitment to defend the safe areas do not have any business being in Bosnia".

I do not believe Canadians think Canadian peacekeepers should have to defend themselves. They are there to keep the peace. They are not there to attack or subject anyone. Why should they have to defend themselves?

• (2050)

There is a misunderstanding in the groups there. Surely the UN has to rethink its approach to actions in the former Yugoslavia. I am concerned about the indication that French and British forces will upscale their commitment to the former Yugoslavia. What will this mean? Canadians in the former Yugoslavia are not adequately equipped to participate in a full scale war. If it goes to an escalation they will be in a very precarious position.

What the minister has proposed is a step in the right direction, to withdraw our people from very exposed positions, to consolidate our resources into a more defendable posture.

The answer for Canada and for the United Nations is to say withdraw our forces, establish what we will do and then set that mechanism in motion so we can resolve the situation in the former Yugoslavia.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I rise tonight to take part in this serious debate about our situation in the former Yugoslavia.

I will start by paying tribute to all the Canadian peacekeepers who have been to Bosnia, who have put their lives on the line for the Canadian reputation as peacekeepers, the soldiers who are there today who have their lives on the line as they represent Canada in a peacekeeping; especially for Captain Rechner who, as we all know, is chained to a pole, whose life is in very serious danger. The hearts of all Canadians go out to him and to his parents in this time of trial he is facing.

Every Canadian has seen his face in the papers and it has been a heart wrenching experience for all of us. We are proud of the way our soldiers have been acting over there.

Canada has a great history of peacekeeping. We created the idea 40–odd years ago. Former Prime Minister Lester B. Pear-

son was awarded the Nobel peace prize for the creation of the peacekeeping forces he had championed.

As Canadians we have kept that commitment over the years. We have kept the peace in many parts of the world. We have been in dangerous situations around the world but we have always given what Canada has become noted for and what we are great at doing, offering our soldiers to make the peace and to keep the peace.

There is no peace in the former Yugoslavia. There is no peace to keep and there is no peace to make. That part of the world does not have a tradition of peace. Its history goes back 1,000 years, and much of that is a history of people at war.

Twice this century alone we have seen genocide in that part of the world as one ethnic group fights the other. The result is atrocities, millions dead and another generation of people born with hatred in their hearts. Hatred, bigotry, racism and prejudice are very much part of the social fabric of that part of the world.

I call it the social earthquake zone where the Slavic nations from the north and the Germanic races from the northwest and the Muslim races from the east come together and that is why we have the fractured situation in the Balkans with small ethnic groups here and next door an ethnic group of entirely different extraction. With the racism, the bigotry and the prejudice in that part of the world it takes a Herculean effort to keep them apart and from going at each other's throats.

If we take a look at what has happened over the last number of years since the second world war, we have now recognized there always has been that underlying current of ethnic violence and hatred kept in place by a very strong government.

• (2055)

When that passed away a few years ago the nationalism and the hatred rose to the surface again. They were back at it again for the umpteenth time. This is not something new or something strange to the history of that part of the world.

Try to remember the western world could not really tolerate the idea of a civil or ethnic war in Europe. We have seen it in other parts of the world, in Africa and Asia and so on. We said these things happen in that part of the world but it does not happen in Europe. Let us send a few soldiers in. Let us put the lid on this situation because it is Europe, it is civilized and these things do not happen anymore, 50 years after the second world war. In a couple of months the boys will be back home.

We did not look at history. Because we did not look at history it repeats itself and we are caught wanting again because we now find we are embroiled very much in a situation that has no real resolution.

In Canada we pass laws saying we shall not discriminate and it is illegal to be prejudicial. Yet it is absolutely systemic in the way of life over there. We were caught unprepared because we did not look at the history or the traditions. We thought they were like Canadians, tolerant, peaceful and willing to live side by side with their neighbours, which they had done for some number of years because a strong government kept a lid on it. When that was removed it was painfully obvious the hatred that had been there for many generations was still there. Given the slightest opportunity, which they were, the hatred rose to the surface again.

For the dream of a greater Serbia for the Serbs and for the Croats who had committed the atrocities during the second world war and so on, the recipe was there. We walked into it with our eyes open and yet we could not see it. Now the lives of our troops are very much on the line as we speak tonight. Their lives are very much at risk because this government and the previous government walked in, eyes open, and yet were blind to what would happen.

The minister of defence said he will not submit to blackmail. This is not blackmail. The minister of defence is playing Russian roulette with the soldiers of Canada over there who he says are doing peacekeeping duties. However, I can assure the House, as every Canadian knows, there are no peacekeeping duties in the former Yugoslavia. Those men and women are fighting to protect their own lives as they try and help others. The point is this Russian roulette has to stop.

A young soldier's photograph we saw in the newspaper today, brave, defiant, disciplined, a soldier who makes every Canadian proud. We certainly cannot be proud of the Canadian government's policy that keeps our soldiers over there and keeps sending more.

Discretion is the better part of valour. It is the minister's discretion that keeps them over there and it is our Canadian soldiers' valour that keeps the image of Canadians high and makes us proud of their efforts while the government has the opportunity, the capability, the decision making powers to say bring our soldiers home. That is what it should be doing today.

I do not see any point whatsoever of endangering our soldiers, our men and women who were brought up in an atmosphere of tolerance, sending them over there with the expectation that they will provide humanitarian assistance to women and children. We cannot even get the humanitarian assistance in. Local soldiers are acting like barbarians. They are disregarding every rule of war and law in the books today. We have seen torture and various other criminal acts committed. These are the types of things that have nothing to do with peace. That is why I join with my Reform colleagues in calling on the Minister of National Defence to bring the soldiers home.

• (2100)

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, as I sat in my office for a few minutes this evening putting some notes together, I could not help but note the seriousness with which the House was taking this debate. Members who have spoken have done so with their own convictions, beliefs and feelings. Important debates such as this on external affairs and on the United Nations must be treated in depth with all the seriousness which these occasions deserve.

I want to repeat something the minister said, which is that every single Canadian life is important. I am sure that if we took ourselves into the homes across the country of the people who are thinking of their relatives in the former Yugoslavia, some of whom are in captivity, we would realize the feelings of those families, those relatives and what their friends are going through. Every Canadian life is important and every Canadian would believe that every one of their allies' lives is important too.

Families of military personnel are watching the debate tonight. Some of them will be watching it with well informed opinions because many have had family members who have already been there and back, some a couple of times.

One thing has come out in the debate tonight which I feel is extremely important in international affairs. It cannot be underlined enough because it is part of a chain of command. The contact group must speak with a united voice. The contact group must speak with resolve. The contact group must speak with a political will. It must speak with one voice. Collective links must be put together, co–ordinated and followed. Any enemy will discern the weakness in the armour of those whom they face. There is no greater gift tonight that the western free world, the United Nations and the contact group can give to our military personnel serving in the former Yugoslavia and other hot spots around the world than to have a united voice behind them.

It has been said that Canada must be a part of all group discussions. No one would agree with that more than I, and no one would agree with that, I am sure, more than the minister, his parliamentary secretary and the Government of Canada. In the actions which have already been taken there is no question that Canada has been part of that process through the respect alone which this nation holds around the tables on these very important topics. We have earned that right over the years. We deserve it and we must be a part of it in the future.

It is not a time to withdraw. I know what some people are saying. We in the House know what they are saying. However, when we come to a time in world history when people start saying it is time to withdraw, that is the way the world starts to drift into serious trouble.

• (2105)

Certain paths of retreat become paths of isolationism where we close our eyes to the rest of the world. How can anyone with humanitarian instincts and qualities turn his or her eyes away from what is happening to the women and children in the former Yugoslavia? Canada is a very important partner there.

To give the House and the nation another example of how generous Canadians are, of how thoughtful Canadians are, of how the average Canadian supports humanitarianism in the world, I want to say that a rural township in my constituency, Ross township, an almost totally farm community, has just shipped 12.5 tonnes of clothing, footwear, toys, linen, towels and so on to the hospitals at Drin and Bakovici. One of those hospitals is the one that our soldiers took over and managed for a period of time.

Ross township in Renfrew county shipped some of these goods through World Vision and some via other means. Heather Rowlands, who headed up this campaign, is married and her husband Mike returned from Visoko on May 10. He adopted many of the children in these hospitals. His wife in Canada started the ball rolling in rural Ross township in Renfrew county. Today the 12.5 tonnes of goods they sent are in port at Split.

I want to pay tribute to these people in Ross township for the excellent job they have done. Yesterday afternoon at two o'clock they had a meeting in Ross Presbyterian Church with World Vision officials and others and celebrated sending these goods to the two hospitals in the former Yugoslavia.

In conclusion, the discipline of our Canadian forces is not just something to be admired, it is something to treasure. Our Canadians who are now under pressure are using that discipline which they have learned to see their way through this.

I agree with others who have spoken tonight that we are going through a very difficult time. It is time for everybody to move together, including the contact group, to work together to support the humanitarian efforts and to say to the aggressors in the former Yugoslavia that we are not going to back away from this situation. We are going to see it through. We are going to help strengthen the United Nations in the years to come because if we do not continue to contribute to the solidarity of the United Nations and international efforts to maintain peace in the world then we will not be remembering those who died.

If we do not remember those who died then we are guilty of having allowed them to die in vain. That is not Canada and that will not be Canada.

S. O. 52

[*Translation*]

The Deputy Speaker: Dear colleagues, there are nine members still wishing to speak. If the members could shorten their remarks, all those wishing to speak could do so.

[*English*]

I believe the hon. member will be splitting his time with the hon. member for Durham.

• (2110)

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am very happy to rise to speak in the debate concerning Bosnia–Hercegovina.

There are many people in Canada who have relatives and friends in that war torn country. Many of them are concerned tonight about their welfare and their safety. In my riding of Durham, in Oshawa, many people question Canada's commitment and our obligations to that war torn country, Bosnia–Hercegovina.

I listened intently tonight to the dissertations of the Reform Party. I was taken back to thoughts of pre–second world war, in particular the United States, where Americans thought they could be insulated, protected from the world, they were not part of a bigger world, and they could find themselves somehow reserved from it. This was a failure.

The member for Red Deer who led off the debate for the Reform Party said: "Britain and France are closer". Are we not repeating the errors of our past? Britain and France are closer, it is their problem.

Tonight I can go home and get on the Internet and talk to people in Bosnia–Hercegovina. Technology has brought the whole world closer. We have national boundaries and national borders. The reality is that we are all one world.

It seems to me the Reform Party would have us run away from our commitment in Bosnia–Hercegovina. No one says that what has happened in that war torn country has been a success. There have been some failures and some setbacks for the United Nations forces. However those setbacks create strength. It is time for people to sit back and ask, what did we do wrong? How can we strengthen our position and how can we go forward.

A quote says: "Those who ignore the past are doomed to repeat it". I have had the good fortune to have lived in a skipped generation. I say that because my father fought in the second world war. He fought because there was a realization that the war that spread throughout Europe put the world in crisis. I say a skipped generation because I have been able in my lifetime to avoid the horrors of war.

My son, who is almost 21 years old, has joined the Governor General's Foot Guards. In fact he is in the riding of the hon. member who just spoke, in Petawawa. He said: "Dad, this is really tough. I go out at night and they make me sleep out in the woods. It rains on me and I get wet. After two weeks of living out in this environment, just sleeping in a normal bed with a roof over my head I never realized was so great". I said to him: "What are you going to do about this? Are you going to hang in?" He said: "Yes, Dad, I am going to stick with it". I think that is indicative of Canadians. We give them a job and they stick with it.

That is what Bosnia–Hercegovina is all about. We have made mistakes. The area of Bosnia–Hercegovina has been a bloodshed area. Only in the last 20 years has that area been contained.

• (2115)

We are not talking about Bosnia–Hercegovina. We are talking about the greater issue of how that war could possibly spread throughout the Balkans and Greece. We will be sending a lot more people to that war torn area.

I would like to take a couple of minutes to digress about something that concerns me personally, which is our inventory of armaments. I was surprised to read today that Canada is the seventh largest supplier of conventional weaponry to third world countries.

The United Nations reports that conventional weaponry is still the weapons of choice in most nations. Why do we not take an inventory of the armaments that are pointed not only at Canadians in Bosnia–Hercegovina but also the French and other United Nations forces? Where are they manufactured? Why do we have a two–tiered system of sending armaments to third world countries while at the same time we send our troops to defend from them? This is illogical and makes no sense. We need to examine our foreign policy in the bigger framework of our commitments to arms manufacturing.

As I said, I have digressed somewhat. The Minister of National Defence has discussed a number of objectives to be achieved by changing our mandate in Bosnia–Hercegovina. He has talked about the fact that we need to speak with one voice in the contact group, that we need to create political and military linkages. He has also talked about defending our commitments in Bosnia–Hercegovina. He has talked about the ability to shoot back, to use an analogy, to protect our own troops there.

We are not talking about military intervention. We are talking about human dignity. We are talking about the right of people to live their lives. In all societies there are groups of people who seek to disrupt the society. In Bosnia–Hercegovina there is what is called ethnic cleansing.

There is nobody in this room who would support the concept of ethnic cleansing. It means if you are not of the right ethnicity we have the right to kill you. Canadians do not believe in that. It is not part of Canadian culture. Canadians are in Bosnia–Herce-

govina to ensure that is not the state of the world so the people of Bosnia–Hercegovina can learn to live in peace and harmony.

In conclusion, I am very happy to be supportive of our Canadian efforts in that war torn country to bring human dignity to the people.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, this is the second time I have risen since my election to Parliament in 1993 to speak on the situation in the former Yugoslavia. The first time was on January 25, 1994, during a discussion of Canada's future in peacekeeping.

I repeat what I said then. We must put a stop to the massacre of innocent people, of women, of old people, of young people and of children in the territories of the former Yugoslavia. The situation remains extremely serious.

• (2120)

The Bosnian Minister of Foreign Affairs has just been killed when his helicopter was shot down near Bihac. Shots were fired at NATO aircraft. Hostages were taken at Tuzla. Three hundred and twenty–six UN peacekeepers and observers are being used as human shields. The Serbs are more threatening than ever before. Ten Canadian peacekeepers are among the hostages. The Bosnian conflict has already resulted in more than 200,000 deaths. It is high time this massacre stopped.

Things are also very bad in Chechnya. Russian aircraft yesterday bombarded the headquarters of the rebels at Vedeno in the Caucasus Mountains. The situation there is becoming increasingly awful and is turning into an ethnic and religious war. The Russian intervention in Chechnya is to be condemned. The international community should also look for a solution to this conflict.

What is going on in Europe, the cradle of civilization? I cannot believe that these conflicts are allowed to drag on indefinitely and that nobody is able to put an end to them. Canada has sent 2,100 peacekeepers to the former Yugoslavia and must decide, by the end of September, if it will renew its commitment to the United Nations Protection Force, UNPROFOR.

As the leader of the Bloc Quebecois said earlier, I believe that now is not the time to withdraw our peacekeepers from this area. The situation would worsen and the loss of lives would be even greater. But, in my view, their mandate should be modified so that they can be more effective in putting an end to hostage taking, for instance.

Of course, the mandate of peacekeepers should always be peacekeeping and participating in relief operations in the former Yugoslavia. It is my fervent hope that the contact group will be able to make constructive recommendations to help resolve this never ending conflict.

I also hope that we will see the release, without further delay, of the ten Canadian peacekeepers, including eight Quebecers, who are being detained by the Serbs.

This morning, I received a phone call from a constituent in my riding of Bourassa, asking me to intervene in the House regarding the present situation in the former Yugoslavia. His sister is a member of the Canadian contingent. The whole family is very worried by the hostage taking and the worsening of the situation in this part of Europe, which I visited on several occasions while I was studying in Belgium. This family is all the more worried as the Canadian government has refused to reveal the names of the hostages who, for the most part, come from the Montreal area, it seems.

Since the beginning of the conflict in the former Yugoslavia, in 1991, this is the third time that Canadians have been taken hostage and thus prevented from carrying out their mandate. I do hope that they will be released very soon.

I take this opportunity to pay tribute to the peacekeepers from Canada and Quebec in the former Yugoslavia.

• (2125)

As you know, I come from Chile, where, unfortunately, the military engaged in all kinds of extortion schemes, committed systematic human rights abuses and put an end to democracy. That is why I am not overly fond of the military.

However, I feel a great deal of affection for Canadian and Quebec peacekeepers posted abroad, especially those who are part of the UN Protection Force. I think that the troops deployed in the former Yugoslavia are doing an exceptional humanitarian job. I salute them and their families in Quebec and Canada.

As you know, I came here because of a coup d'état, because of the flagrant human rights abuses in Chile. Other Latin American countries have experienced deadly conflicts. In Central America, however, tens of thousands of people have died as a result of these conflicts.

We must use all the means at our disposal to end the many conflicts shaking up the world, especially the one in the former Yugoslavia.

I support the military objectives of the UN peacekeeping forces, which include the Canadian contingent. It is a matter of doing our duty to assist those in danger and fulfilling our moral obligation to those in dire straits. This humanitarian tradition so deeply rooted in Canada and Quebec must continue to grow.

We must not, however, expose our soldiers to dangerous situations. We must increase their safety level by providing them with what they need, adequate equipment, to defend

themselves and carry out their mission effectively. Now is not the time to withdraw our troops. This could have tragic consequences for them as well as for the local population; hostages could even be put to death.

Canada must intensify its diplomatic efforts to promote conflict resolution through negotiation.

We should be represented in the contact group established by the United States, Russia, Great Britain, France and Germany. The U.S. are part of this group, even though no American troops are involved, but we are excluded, while 2,100 of our troops are deployed over there. Why are we not included this very important forum? There is no excuse for excluding us, and the Canadian government should demand to be represented in the contact group.

The conflict in the former Yugoslavia and the interracial confrontations in Bosnia and in Croatia have resulted in the displacement and fleeing of hundreds of thousands of people. Exactions, abuse, rape and murder were committed against civilian populations and ethnic minorities.

As of November 1993, over 4.2 million people living in Croatia and in Bosnia–Hercegovina were either forced to abandon their homes or exposed to crossfire. More than 800,000 of them fled to other countries.

Again, I want to pay tribute to the UNHCR, which is primarily concerned with providing humanitarian assistance, with the co–operation of peacekeepers.

• (2130)

The office does an exceptional job in that part of the world. Since the ceasefire ended in April, the distribution of food, medication and clothes has become a much more difficult task. People working for humanitarian organizations are often harassed and even attacked and they need to be protected by peacekeepers.

The international community, particularly Germany, Hungary, Sweden, Switzerland and Austria, works very hard at accepting refugees from the former Yugoslavia. As for Canada, it has opened its doors to more than 10,000 refugees since 1991. A large number have settled in Quebec. I know a few of them. They are highly qualified and energetic people, including professionals with major university degrees. They make an important contribution to Canada's and Quebec's society.

I think that Canada should increase its efforts to accept a greater number of refugees, especially women and children. The Department of Citizenship and Immigration must take the necessary measures to make the Women at Risk Program more effective. Often, women from the region affected by this conflict qualify for this program, but they cannot come to Canada because they do not have the money and because the government refuses to give them a loan to pay for the trip.

Canada must decide, at the end of September, if it will renew its peacekeepers' mandate. During the last debate, the Bloc Quebecois was in favour of renewing the mandate of our troops in Croatia and Bosnia. Our position remains unchanged. However, I think that Canada's participation in the UNPROFOR must be linked to conditions that are favourable to a peaceful solution to this conflict. The truce that was signed on January 1 between the Bosnian government and Bosnian Serbs and Croatians ended on April 30. Another ceasefire must be implemented without delay.

I call on the Canadian government to play a more active diplomatic role in the resolution of this conflict. I also hope that the United Nations will be more efficient in carrying out its peacekeeping mandate in the world and that the international community will soon be able to find a negotiated solution to this endless conflict.

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I rise to speak on this emergency debate sponsored by the Reform Party and my colleague from Red Deer, the Reform's foreign affairs critic.

Emergency debates such as we are having tonight are an important part of the parliamentary debating process. They allow Parliament to deal with issues that are indeed pressing and important to Canada. They provide an opportunity for us as members of Parliament to comment on the issue at hand, preferably with input from our constituents. The conditions for an emergency debate are outlined in Standing Order 52. It must be a genuine emergency.

A letter sent this morning from the hon. member for Red Deer, the foreign affairs critic for the Reform Party, to the Speaker of the House reads:

> Pursuant to S. O. 52(2) I wish to advise you of my intention of asking for an emergency debate on the deepening crisis in Bosnia and the dire plight of the Canadian soldiers who are being held hostage there.
>
> This is an issue of national importance, and it is extremely urgent that Parliament immediately debate the issue. Even a delay of one day in this debate could lead to tragic events that I would not like to contemplate. If there was ever a time for immediate action, it is now.

• (2135)

Tonight the Reform Party condemns this government for failing to acknowledge the serious deterioration of the situation in Bosnia and refusing to call for a full UN withdrawal of our troops.

First let me comment on our policy of peacekeeping. Peacekeeping was a concept and policy formulated by Canada, and proudly so, after the second world war through our participation in the United Nations. Since that time our Canadian troops have set a world standard and have served in peacekeeping duties around the world. For instance, Canadians have served in

peacekeeping roles on many continents: in the Middle East in the Sinai, in Lebanon, and Syria, in the Mediterranean on the island of Cyprus, Southeast Asia, Cambodia, on the continent of Africa in Somalia, in the Caribbean in Haiti.

Canadians have given exemplary service to the high calling of peacekeeping and they have been recognized internationally in their peacekeeping efforts around the world. Now Canadian troops are serving in Bosnia and the former Yugoslavia and they too are continuing this Canadian tradition of service.

Canada has 2,100 troops in the region. It is the fifth largest contingent in the area. It is the tradition of peacekeeping that I firmly believe in and support. I know that our troops have done and want to do an excellent job. They have done that with outdated equipment, 30–year old tanks and so on. They have done that under difficult circumstances.

However, the situation in the former Yugoslavia is no longer a peacekeeping environment. It has deteriorated to such a level that the lives of our Canadian troops are now imperilled. Right now the United States is sending an aircraft carrier to the region. The ceasefire has been broken. Prohibited weapons are being used. This is a war zone. There is no peace to keep. Canadians and other peacekeepers in that land are now pawns in a losing game.

The present hostage taking should be of no surprise to anyone. Canadian troops have experienced this situation before. In fact, it is the third time Canadians have been taken hostage. In December 1993 eleven Canadians were held by Serbs. In November 1994, Serbs took 55 Canadians hostage in and around Ilyas.

This time the role of the Canadian peacekeepers in Bosnia and the former Yugoslavia is an issue that strikes very close to home for me as a member of Parliament. This evening I pay tribute to Captain Patrick Rechner, who is one of the UN military observers being held hostage by the Bosnian Serbs. He is being held as a human shield. He is from my constituency and the town where my office is, Port Moody.

Canadians have watched appalled at the TV footage of Captain Rechner chained to that pole in that far off land. He bravely stands there close to an ammunition depot that the Bosnian Serbs wish to protect. He stands there serving as a human shield to prevent NATO war planes from bombing that or other targets in the area. We must remember that the bombing by NATO was in response to the ceasefire that was broken by the Bosnian Serbs. So there he stands as a human shield. In addition, he has been forced to make a statement that if NATO did not cease its bombing he would be killed.

The story of Captain Rechner and his family is one of a typical Canadian family. The Rechner family are originally from Prague, Czechoslovakia. The family of five emigrated to Canada in 1970 and initially settled in Toronto before moving to Coquitlam and Port Moody in the early 1980s.

Captain Rechner joined the army cadets at the age of 13. After graduating he studied at Royal Roads Military College in Victoria and at the Sorbonne in Paris. He has served in the former Yugoslavia since June 1994 and was scheduled to return home next month.

I met with his mother and father last Friday, Vincent and Katrina. The bravery their son shows on the clips we have seen is reflected too in their eyes as they quietly wait for word about their son and always hope.

The common hope of all parents I think is reflected in the memory his mother shared with me. As teens her boys had motorcycles. Perhaps members can relate to this if they have had teenage boys or girls. She would wait up when they were out on their bikes. If they were late she would wait and wait, wondering what had happened to them. She told me that she shared the same feeling now that she felt then: she knew they would always come home.

• (2140)

The emotions she feels are the emotions all parents would experience in circumstances such as this. All Canadians who see the image of Patrick must share with his parents the fear, the worry, the anger, and the hope that now fills their days and nights. It is not only Captain Rechner who is endangered. There are no fewer than 53 other Canadians from the Royal 22nd Regiment who have been detained as a result of the aggressive and unjustified actions taken by the Bosnian Serbs. Their fate too hangs in the balance.

In addition to the Canadians, the Serbs are detaining and holding hostage UN peacekeepers from Great Britain, the Czech Republic, and Poland, among others. In total, the Serbs are holding over 300 UN military personnel.

We must ask why we are involved in peacekeeping in the former Yugoslavia. Is it for humanitarian reasons? In fact no humanitarian aid is now reaching those who need it most. The airport is closed, the highways are closed.

Does our government have any real input in the decision making process? No, we have no input. We are not part of the contact group, even though we have the fifth largest UN contingent in the region. Do we have clear government policy? Do we know how long our troops will be committed there? Is there an indication of future direction of the policy, of what it will cost, of what our vision is as a country? I submit that the government does not know these things. It has no direction.

We ask the criteria for our involvement there. I believe there are no criteria. Instead this government and its policy has stumbled along a path that has led us to this situation and placed our troops or our sons of our citizens in great peril.

The debate tonight is a very serious one. It will influence the outcome of the future of the Canadian role in the former Yugoslavia. We should not only be considering the diplomatic, strategic, and statistical manoeuvring that are all part of the game of international politics and international relations, we should also be considering the impact upon individuals and families involved. We can think of the families in Yugoslavia. The atrocities there have been great. I ask this government: Are we preventing atrocities with the involvement we now have? I would suggest that in fact we are not. In fact we may indeed be prolonging that very situation.

As I have stated, we should be considering the thoughts and feelings of the people who are separated from their loved ones by half a world. We should be considering how to return men who were sent not to war but to prevent war home safely to their families and communities.

I believe it is therefore time for a timely withdrawal of our Canadian troops from Bosnia. Such a withdrawal would have to occur in a precise and ordered fashion. We have been calling for such a withdrawal over the past year. Since that time it certainly is no easier to do so. Do we wait for more carnage, more complication, and more indecision? We now find our troops entrapped in these UN established enclaves because of ill thought out policy and poor decision making. Do we compound a great error with even greater indecision and more unfocused action?

Canada has fulfilled its commitment to the peacekeeping tradition in the former Yugoslavia. We have had troops stationed there since 1992. The war escalates even as I speak. Our peacekeepers are eye witnesses to a genocide they have neither the mandate nor the equipment to prevent.

Once again I call on the government to withdraw the Canadian contingent from the former Yugoslavia and Bosnia. Along with my colleagues I call on the government to regroup and to establish an operable mandate not only for this mission but for all such peacekeeping missions in the future.

Vincent Rechner was quoted in the Vancouver *Sun* this weekend, and I would quickly like to refer to that. It states:

> "The situation, according to Collenette's word, is getting worse", said Rechner from his Coquitlam home on Sunday. "It is more dangerous". "Evil people have revenge in mind", Rechner said of the Bosnian Serb forces holding his son. "Why would they do this to someone who is there just as a humanitarian to help the people? He is not there to hurt anyone. I do not understand."

• (2145)

Canadians demand an answer to the dilemma of Vincent Rechner. Canadians want a government with determination to act on principle, one that shows leadership and will admit not to defeat but to the recognition of a reality in a far off land. In the former Yugoslavia I repeat there is no peace to keep.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, it is a rare privilege, opportunity and challenge to enter into a very serious debate.

The hon. minister said we remain committed to keeping Canadian troops in Bosnia. Why? It is because we have a job to do. The job, as he illustrated, had three parts: to serve the cause of peace, to resupply the towns that require help and to provide humanitarian assistance.

Let us examine each of these parts, the first being to serve the cause of peace. What is peace? Peace is a state of harmony in which people work together in co–operation and pursue a common goal of decency and respect for one another without fear. What a contrast those words are to what is happening in Bosnia today.

Within this context we also have to remember at the same time Canadian forces are there to keep the peace in Bosnia, Canada in 1993 was the seventh largest contributor of arms to third world nations. It is a bit of an irony that on the one hand we are known as the world's best peacekeepers and on the other hand we supply arms to third world nations to bring about violence and destruction to one another.

What is the cause of peace? The cause of peace is patience and to prevail in spite of the most difficult conditions. Here we have to pay a special tribute to the troops there. The colleagues of the soldier who was chained to the post must have felt the greatest urge to get in there and shoot or fight or somehow get even with the people who were doing this to their comrade. Imagine his mother and father who would have liked to do something but found themselves powerless to do anything. Therefore we asked his mother and father what we could do for them. The answer was we could not do anything. The hands of these armed people have been tied because they are there to keep a peace that is not there.

As my hon. colleague said but a moment ago, we need to withdraw from Bosnia. That does not mean we would withdraw in the sense that we have nothing to do with these violations of human rights, but rather the United Nations has to re–examine what mandate we should be pursuing in these countries where there is strife, dissension and bloodshed.

It means more than being an example of strength and courage. It means being strong, honest, friendly and caring for other people. Imagine the soldiers who have been brought up in the severest of discipline and trained to kill, whose job and function

is to sit at the bedside of someone who is mentally handicapped or ill. It is a tremendous tribute to a person who can handled both of those obligations; to on the one hand be prepared to attack someone and on the other hand to stretch out the helping hand, the healing hand to someone in trouble.

It is possible Canadians can handle those two positions because we are a nation that has developed in its citizens a belief that democracy works, that democracy can handle opposing points of view. We believe it is okay to disagree with one another providing we maintain basic decency and respect for one another.

It is not a matter of an elite group getting together in some kind of an oak panelled room and deciding what is best for the nation or a matter for lobby groups and pressure groups to decide that a particular decision be made. It is in the election and the determination of majority vote that things are decided.

• (2150)

It is not possible in Bosnia. I ask the House and the United Nations how can the matter be resolved when a soldier is chained to a post? How can it be done when somebody is about to strike an arms deposit? How can this be done when a part of Canada can demonstrate the way to do this is not through armed conflict but rather through democratic process? How can this be done without a plan?

My hon. colleague says there probably is no plan. She sees no plan. I see no plan or evidence of a plan. How can this be done if we are not at the consultation table? How do we do this when we are not involved in NATO decisions?

Much has been made by the minister and members opposite who have said we have to get to the negotiating table. The one thing common to every negotiating table is the parties at the table want to resolve the issue.

When one looks at the history of this part of the world one has to wonder if anybody in this group really wants to solve the problem. How is it possible that for hundreds of years these people have tried and other countries have gone in and tried to bring about peace and there is no peace? That is one part of our task, to bring about peace.

The attitude that needs to change is one of peace building, not peacekeeping. There is no peace there now. I am not at all convinced the way to build peace is by shooting somebody.

My next point is the task of rebuilding the towns with medical supplies, housing and shelter, by providing clothing, water and food and bringing the people back to a place where they can be comfortable against the weather. These things need to be done. Vehicles have to be provided. Streets have to be cleared and roads made passable. These are honourable things. That is the second part of the job we have to do.

Now comes probably the most significant of all, humanitarian assistance, the heart to heart. Families have been separated. The hope of people has to be restored. There has to be a reason to live. Bosnians and Serbs and Muslims have hated one another and they need to recognize that it is okay to live together in peace and harmony and that they can disagree on certain things but they can agree on others.

They need to recognize we can forgive one another and that love needs to enter into human relationships. We need to bring that context to this environment. It will demonstrate itself in unusual ways. It will demonstrate itself in the unconditional provision of medical assistance, food, shelter, clothing not because you are a Serb, a Bosnian or a Muslim but because you are a human being who has the same needs we all have. That is why we want to do this. That is what will bring about peace building. That is the humanitarian assistance we need.

Unless we have a say in the negotiating process we cannot influence it. We must be at the table. We must be at NATO decision making. Then we must find a very practical way to rebuild the towns that have been destroyed and provide food, shelter and clothing.

Finally, we need to recognize that unless we sit at the table and help negotiate with these people and with the NATO decision makers, unless those things are met, we must withdraw from the conflict.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, it is an honour to engage in this very important debate. As members know, it is not often in the House that we get the opportunity to discuss items of great national importance and great passion.

• (2155)

As hon. colleagues have said this evening, when Canadians in our military are held hostage, chained at ammunition dumps, it does tend to focus Canadians on one purpose. That is the reason for the debate today. As others have before me, I recognize the contributions and the commitment of our military personnel in Croatia and of all the people in the military across the country. These have not been easy times for the military. It has been asked to do very difficult jobs in very trying circumstances, which it generally accepts with substandard hardware.

My motivation to speak to this debate comes from a letter I received from a constituent a couple of months ago. He and his twin brother live in my constituency. They decided they would go to the former Yugoslavia and take up arms. They took exception to something I had said. I could not understand why someone not even born in the country, a Canadian citizen who had lived here for over 20 years, would be moved to leave Canada to take up arms in the former Yugoslavia to put their lives at risk and be prepared to kill others. It is something that defies reality. Why on earth would they do that?

In his letter to me he stated it was part of his culture, that he grew up with this. It was not something foreign to him but part of his life with his uncles, aunts and cousins. This ancient rivalry was brought with them.

I talked with him about my partner Louis Rudolph. Louis had a passion to support Israel. I asked Louis why he lived in Canada but still had this great desire to support Israel. In terms of his relationship with his country as a Canadian he said when a person marries he does not stop loving his mother. He said if your first commitment is not to your wife you are in real trouble. He said his commitment was to Canada. He was a Canadian but that did not mean he did not love Israel.

I talked with my constituent about that and I tried to get to the root of why he would be so passionate that he would put his life on the line to fight in a land he had never even seen. It made no sense to me and it still does not make any sense to me.

That is the situation our young men and women find themselves in. They find themselves trying to bring peace to an area where peace will not come unless it comes spontaneously from within; it will not come from without.

What do we do? How do we do the right thing? How are we to be peace makers in the world? How are we to sleep at night as Canadians if we know there are these rivalries? A colleague mentioned ethnic cleansing on both sides. We cannot turn our backs to that. We cannot ignore it. We cannot say we are not there and therefore it does mean anything.

• (2200)

One of the duties we have as human beings in the world is to try to do the right thing and to motivate others to do the right thing. A parallel which my hon. colleague from British Columbia mentioned is that right here in the House we have the opposition party which is dedicated to taking Quebec out of Confederation. Why is it that our belief in the value system of democratic principles is strong enough that it is a sign of strength, not weakness in our country that we can have that right here in the House of Commons and we can manage it? We are not shooting at each other.

It is a terrible situation in which our young men and women find themselves as hostages. As was said earlier, we have two problems. The first and immediate problem is, how do we get our hostages to safety? Then what do we do after that? The first thing is we have to be concerned with getting our hostages to safety. That requires that we speak with one voice and that we speak with authority.

I am reminded of reading a book recently about a time of great difficulty. We should, as Canadians, be looking at this as a time of great difficulty when Canadians are threatened and held hostage somewhere in the world. I am reminded of the words Winston Churchill, just after he was made Prime Minister, said to his war cabinet when it was in great disarray and feeling threatened. He said that nations which went down fighting rose again, but those which surrendered tamely were finished. With those few words and with powerful reasoning Churchill turned uncertainty into resolve, apprehension into determination and fear into hope.

We need to keep in mind that we have people who are at risk. We have to speak with absolute resolve. We want the people who are holding our Canadian sons and daughters to know with absolute resolve that we Canadians stick together through thick and thin and that if they harm so much as a hair on any of the Canadians they will wish they had not done so.

I conclude the few comments I have in bewilderment that people in the world can have these deep rooted hatreds of each other and that they would stoop to these vile and desperate measures. I still think we have the moral imperative as Canadians to try to shed our light on the world, our sense of democracy and the values which we hold so strongly. We can be an inspiration and a source of strength in the world, particularly in these troubled spots.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a great pleasure once again to speak on this extremely sensitive and tragic situation. I find it very sad that in less than two months we are in a situation in which the former Yugoslavia is becoming more dangerous as every day passes.

The turmoil and tragedy of the former Yugoslavia that is with us now will be with us in the future. The fuel which fires the flames of ethnic discontent will be here for a long time. The hate tragically will stay with us for a very long time.

What a tragedy it is for the civilian population in particular. Our troops, the UN forces, have indeed done an admirable job in saving tens of thousands of lives. That should not be lost on anybody, especially the innocent civilians.

I ask everyone who is listening to this discussion to put themselves in the shoes of someone in Srebrenica, Gorazde or Bihac. I ask them to put themselves in the shoes of a woman with little children, cowered, hungry, sick and thirsty, with shells crashing down around them. I ask them to put themselves in the shoes of a little child who is in that situation. That is why the UN is there. That is why we are there. We and our troops should be proud of defending those people.

• (2205)

Currently we see the tragic images on television of our troops chained in a degrading fashion. It shakes us to the bone and we have with our prayers every hope that those people will be

released safely. We will do everything in our power to ensure that our troops and all the other troops that are held will indeed get out of this safely. We will let the Bosnian Serbs know that in no uncertain terms.

We must come to the reality that the situation in Bosnia and the whole of the former Yugoslavia is not peace but is in fact war. It is a new type of war in the latter part of the 20th century that I feel tragically will repeat itself time and time again in the coming century. What we are trying to do is to save lives in nearly an impossible situation and prevent massive destruction that surely would occur if our troops and the other UN forces were not there.

We are trying to prevent the descent of the former Yugoslavia under almost intolerable circumstances into a spiral and an orgy of bloodshed that will very likely involve a widening conflict involving other European countries. It is very important to realize the consequences of a greater conflict with the potential involvement of Russia, of the Muslim states and of Germany. We must be very cautious and understand what we are going to do if that happens.

It is also very important in dealing with the leadership in these conflicts to understand that leadership. The Serbian leadership in the former Yugoslavia, Slobodan Milosevic, wants a greater Serbia. Radovan Karadzic of the Bosnian Serbs wants a Bosnia that is ethnically pure with Serbs and has no tolerance whatsoever of any other groups. Both think little of sacrificing the lives of their own civilians for their own higher purpose. They do not have the interests of the people at heart. Rather, they are governed by megalomaniac ideals, rabid nationalism and intolerance. If we believe that these individuals are working for the betterment of their people, we should think again. Their history bears it out.

Lost in many of these discussions is the idea and knowledge that many people in Bosnia and in the former Yugoslavia actually did get along. Muslims, Serbs and Croats did get along. They did intermarry. They would like to live in peace but many tragically have been poisoned by hatred. Of course there was that other group who hate with such intensity that it is beyond our level of comprehension.

It is under these nearly impossible circumstances that our troops have been functioning, at times feeling impotent, at times trying to carry out their mandate under impossibilities, being held hostage in so many ways, but always saving the lives of innocent civilians.

In the current situation, although it has become intolerable, still there is a glimmer of hope that we are saving at least a few lives. Now because of the intolerability we have to determine a new mandate for UNPROFOR and do things in a new way. The purpose again is to save civilian lives and for no other reason except to prevent an expanding conflict.

I am afraid that the only way we are going to get a negotiated settlement to this problem is if the belligerents fight it out and they become sick and tired of fighting. Once they have stopped killing each other then I believe we will be able to get a diplomatic solution. I do not think there is going to be one before that. Whether we are looking at Krajina, or at Bosnia, whether we are looking at sector west it does not matter. It is all in the same boat.

Our mandate again should be to protect those innocent civilians who always bear the brunt in these internecine wars. They are always the ones. Ninety per cent of the casualties in all of these conflicts are borne by people who want to have absolutely nothing to do with them. They want to live in peace. They want to live in harmony. They do not want to take part in the bloodshed at all.

I suggest the following. The blue helmets should retreat to defendable positions within Bosnia. Create the 20 kilometre buffer zone that no heavy weapons will be tolerated. We must again provide an area where civilian populations can go to seek refuge. This is not a great solution and I recognize that. Again, somehow, somewhere, we have to provide a way to enable the civilians to be protected with force. We must give them this option. We simply cannot abandon them. I ask again, imagine living in that scenario.

• (2210)

I would like to project for one moment back to the 1930s in Germany. If we knew then what we know now, would we tolerate what we do now? Would we tolerate the genocide of Jews and other people considered undesirable? Would we pursue the politics of appeasement that proved so fruitless? I think not. So why do we do it now?

Our government must first engage in the negotiated release of all UN hostages. If the Bosnian Serbs do not comply, then NATO air strikes must occur at the heart of the Bosnian Serb leadership. This is a hard thing to do, but we have to look back at the history of the Bosnian Serbs to understand what they respect.

One of the greatest failings of this terrible situation has been the lack of willpower of the international community to employ meaningful consequences against the aggressors in this conflict, particularly the Serbs in the federal republic of Yugoslavia and the Serbs in Bosnia. This is not to say that Mr. Tudjman in Croatia is a white knight; he is not. By far and away the majority of the atrocities that have been committed in this conflict have been done by Serbs in the federal republic of Yugoslavia and in Bosnia. Let us call a spade a spade.

The strikes must be rapid and decisive and the Bosnian Serbs under Radovan Karadzic and the Serbs in the former republic of

Yugoslavia must know that this is what the international community must do. Anything else in the past has proven not to work.

When we see ruthless leaders like ones I have mentioned here display a total lack of humanity, who will lead their people into an orgy of violence for their own ends to serve their own nationalistic ideals and nationalistic fantasies, we must meet them with decisive action. We cannot engage in the indecisive action we have done in the past because it has proven to be a failure. The only reason I mention it is because this scenario, as we all know here, is going to play itself out time and time again.

I respect the opinions of my colleagues here, but after close discussion with members of the defence forces at Canadian Forces Base Esquimalt in my riding and with the people in my riding I have to say that we ought to keep our troops in the former republic of Yugoslavia in a new fashion to protect the civilian population, move back to a defensible position, and negotiate in the intermediate term a way for us to get our troops out of the scenario and have the European Union take the responsibility for what goes on in their backyard.

Regional solutions are certainly better than international ones. It is their responsibility. They should bear the brunt of it. We cannot, nor should we, go across this world wherever we are called to go to put our people in harm's way. It is simply not fair.

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, I appreciate the opportunity of being the last speaker on this very important debate.

I thank the Reform Party for the request to have this emergency debate and I thank all parties and all members in this House for giving unanimous consent to the request.

I have had the opportunity to take part in all the special debates we have had concerning Canadian involvement and commitment in the former Yugoslavia. Again I wish to join with all members of the House in acknowledging the important professional role Canadian troops have played. They are professional. They have no self–interest. Canadian troops are there because we want to see peace. We want to help the people achieve peace and prosperity.

• (2215)

There is no self–interest in our presence there. We are doing a job because we want to help people. We want to advance human values. Hundreds of thousands of lives have been saved, medicine and food have been delivered and the suffering, although tremendous in the former Yugoslavia, has certainly been made less severe because of our Canadian troops.

All members of the House must also agree the lack of co–ordination between the contact group and the countries with troops on the ground is totally unacceptable. The air strikes by NATO forces of Serb positions led to the very predictable Serb response of taking hostages to be used as human shields. The Serbs have done that on several other occasions so was it any surprise they would react in this manner?

The decision to proceed with air strikes while Canadian and other UN troops are as exposed as they are was an act of stupidity and irresponsibility. I agree with the Minister of National Defence when he stated the UN mandate must be rethought and changed.

Surely we cannot continue to be in positions where we are exposed to being captured and held hostage by Serb forces. They have acted as though they can do whatever they want. If any attempt at retaliation is made they have used the exposed UN troops, including Canadian troops, as hostages. That is a no win situation for our Canadian troops.

If we are going to rethink the UN mandate we also have to rethink what this war is all about. Let us first start by understanding that what is happening in the former Yugoslavia is not a civil war but a war of aggression. The Serbs with their image of a greater Serbia have attacked their neighbours, whether Croatians in Croatia or Muslims and Croats in Bosnia, to carve out for themselves a territory to make the greater Serbia.

Non–Serbs have been expelled in ethnic cleansing. There has been no serious commitment by the Serbs to give up any of the territory they have captured. Let us start by understanding this central reality. If we believe that all the parties are equally responsible for this mess and for the conflict that is occurring in former Yugoslavia, we are ill informed and we will not be able to do the job I believe needs to be done in that part of the world.

Canadian troops went to do their job as peacekeepers but there never was a peace to keep. It is therefore not too surprising we find ourselves in the position we are in. Unprotected our troops were susceptible to being used as human shields by the Serbs. In fact, they ended up being human shields.

By breaking the ceasefire agreements and taking UN soldiers as human shields the Serbs have stepped beyond the line. Public opinion in western nations will not tolerate the humiliation inflicted on our troops by the Serbs. They have pushed the situation. Now UN countries have to decide whether they are going to keep on this course or not.

Where do we go from here? Obviously keeping our troops in danger without any protection is not acceptable. I believe the government understands this as well, at least I certainly hope they do. The Serbs have shown no respect for international law and morality. Our troops as peacekeepers must be withdrawn

from positions that endanger them and everything must be done to rescue the troops that are being held now.

When we have all of the UN troops free from Serb imprisonment other options should be considered. Air strikes, the lifting of the arms embargo as well as diplomatic initiatives are some of the options that should be given serious consideration.

I find it intolerable that one party to the conflict inherited all of the armaments from the former Yugoslavia. I believe it was one of the best armed armies of Europe. The arms embargo prevents the other players in this tragic drama from acquiring the weaponry needed to protect themselves. It is an imbalance that the international community has maintained.

The conflict in the former Yugoslavia goes back a long way. In fact it goes back to the breakup of the Roman empire. The Roman empire was split into the eastern and the western sections. Part of that conflict has echoed throughout the ages.

To make peace in the former Yugoslavia is not going to be done overnight. It is going to be a long process. Not only is there a lot of physical damage, there is also psychological damage. What do we say to the families, whether it is Serb, Muslim or Croatian who have lost their sons or fathers or whose daughters or mothers have been raped? Those wrongs will be echoed from generation to generation. The type of healing that will be needed to allow the people in the former Yugoslavia to live in peace with each other will not come overnight.

We have seen what has happened in Europe in the last 50 years, from the beginning of the last war when the fascist troops overran much of Europe to where we have within this 50–year period a European common market and community, where the differences and the many wars of the past have been overcome and a new cultural unit and political entity have been formed.

It is conceivable that it might take 50 years for all the animosities that now exist in the former Yugoslavia to be resolved. However, it can only be done when fighting ceases, when economic and social pursuits can be taken on by the Serbs, the Muslims and the Croatians, when the people in that part of the world begin to recognize that it is in their own interest and in the interest of their children that there should be peace and an opportunity for economic and social prosperity.

It is only when the people in the region begin to recognize that peace and social and economic growth go hand in hand and that the people who they are at war with now are really their brothers. The Germans, the French, the Dutch and the English who were at war with each other in a struggle to the death 50 years ago have also come together and are now creating a prosperous unit in Europe. That must be the hope of all humanity.

I urge the government to take our troops out of harm's way. They serve no useful purpose any more. While they are susceptible to being captured and used as human shields they are not furthering the interest of peace. I believe that we should be prepared to take other steps after our troops are withdrawn to make certain that the type of genocide that has occurred in Bosnia and in parts of Croatia should never occur again.

The Deputy Speaker: Colleagues, that completes the speeches of all the members who wish to speak. May I, on your behalf, thank all of the Commons employees who allowed this debate to continue for so long: the security staff, the broadcasters, the table officers, the pages, the Sergeant–at–Arms and everybody else have omitted.

It being 10.30 p.m., I declare the motion carried. Therefore, the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 10.24 p.m.)

HOUSE OF COMMONS

Tuesday, May 30, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to two petitions.

* * *

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 81(4)*(a)*, the following motion, standing in the name of the Leader of the Opposition, is deemed adopted: "That, pursuant to Standing Order 81(4)*(a)*, consideration of Privy Council votes 1, 5, 10 and 35 of the Main Estimates for the fiscal year ending March 31, 1996, by the Standing Committee on Government Operations, be extended beyond May 31, 1995".

* * *

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, when the House last sat on Friday I presented to the House the 78th report of the Standing Committee on Procedure and House Affairs regarding associate membership of the Standing Committee on Finance.

I believe it would be appropriate that I move that the 78th report of the Standing Committee on Procedure and House Affairs, presented to the House on Friday, May 19, be concurred in.

(Motion agreed to.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have a second motion.

There is a change in the membership of the Standing Committee on Procedure and House Affairs with respect to associate members. If the House gives its consent, I move:

That the name of the following member be added to the list of associate members of the Standing Committee on Procedure and House Affairs: Mr. Alcock.

(Motion agreed to.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I move:

That pursuant to subsection 7.(7) of the Referendum Act, chapter 30, Statutes of Canada, 1992, the Standing Committee on Procedure and House Affairs be the committee to undertake the review of the regulations proposed under subsections 7(3)and (4) of the act.

(Motion agreed to.)

* * *

• (1015)

PETITIONS

RIGHTS OF GRANDPARENTS

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I have two petitions to present today to the House. In the first residents within my riding of Langley, Abbotsford and Aldergrove ask Parliament amend the Divorce Act to include a provision similar to article 611 of the Quebec civil code which states that in no case may a father or mother without serious cause place obstacles between a child and grandparents and failing agreement between the parties the modalities of the relations are settled by the court.

HUMAN RIGHTS

Mr. Randy White (Fraser Valley West, Ref.): The second petition, Madam Speaker, requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amendment the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

Supply

ASSISTED SUICIDE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present the following two petitions from my riding. The first containing 53 signatures requests that Parliament ensure the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mr. Bill Gilmour (Comox—Alberni, Ref.): The second petition, Madam Speaker, containing 50 signatures requests that Parliament immediately extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

JUSTICE

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I have the honour to present three petitions protesting Bill C–41 today. One hundred and eight additional constituents of mine protest that Bill C–41 will establish a dual standard of justice by punishing identical crimes with different sentences. They also protest the inclusion of the undefined phrase sexual orientation in federal legislation because they feel it will lead to some people being given special legal rights.

GUN CONTROL

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I also have the honour to present two additional petitions against Bill C–68, the gun control bill. Three hundred and seven more petitioners feel existing gun control laws are doing the job in Canada, that new laws will be ineffective and expensive and that money and resources ought to be diverted toward fighting crime instead of fighting responsible gun owners.

I am pleased to agree with both of these petitions.

Mr. Jay Hill (Prince George—Peace River, Ref.): Madam Speaker, pursuant to Standing Order 36, I am today presenting petitions signed by constituents of Prince George—Peace River. They feel that no amount of gun control has ever succeeded in preventing criminals from acquiring guns by illegal means.

Furthermore, the petitioners feel that many existing firearms regulations were brought in for a matter of public policy with no regard to future effectiveness and potential benefit.

Therefore they ask Parliament to support laws which punish criminals using firearms, support, recognize and protect the rights of law–abiding citizens to own and use recreational firearms, and abolish any existing gun control laws which have proven to be ineffective.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—EMPLOYMENT EQUITY

Mr. Chuck Strahl (Fraser Valley East, Ref.) moved:

That this House deplore the government's employment equity policy as unnecessary, ineffective, costly, unpopular, intrusive, discriminatory and harmful to designated and non–designated groups; that this House recognize the equality of all Canadians by affirming that hiring and promotion be based solely on merit rather than on gender and race; and that discriminatory employment practices be more vigorously pursued on an individual, case by case basis.

• (1020)

He said: Madam Speaker, I appreciate your reading that through to its very logical conclusion. I appreciate the way you put the emphasis on the right spots and so on. It was well read.

Employment equity is really the last gasp effort of an old government style brought forward from the 1960s and 1970s that says governments need to be involved in every little aspect of Canadian life.

When one finds an area in which the government is not involved it seems this government is still hanging on to the residual of an idea that perhaps what we should do is interfere wherever we can in the marketplace, in people's lives, in intrusive legislation; employment equity probably being the last serious effort to intrude in corporate and individual lives from coast to coast.

Employment equity is a road paved with good intentions. It is an idea that perhaps by enforcing certain racial goals, numerical goals and targets on employment hiring practices we can somehow make Canada more discrimination free and that we will all live in the utopia the Liberals would have us believe is just around the bend.

Employment equity and affirmative action have fallen on hard times lately around the world. Employment equity is being challenged and being defeated in the United States courts, including the Supreme Court, one case after another.

There is a proposition in California that will banish affirmative action plans from its law books probably within the year. In Canada, however, instead of following the lead of around the world which is to get away from social manipulation, for some reason the government has decided to expand the employment equity program.

It has brought in Bill C–64 which will expand it to include not only people regulated by the federal government but the entire public service, the RCMP, the Canadian Armed Forces, CSIS and so on. It is a very intrusive bill. It smacks of social engineering of the worst kind. In the bottom line, it is very discriminatory and that is why the Reform Party opposes it.

In the last week I clipped two or three pieces from a newspaper. I am wondering whether we are in tune with the Canadian people; are we reflecting the things that concern them? Recent opinion polls say that 74 per cent of Canadians oppose employment equity in Canada. In my province of British Columbia, 81 per cent oppose employment equity. The government, instead of retrenching and rethinking this idea, has decided at this time to expand it.

What are the newspapers saying lately? Is it on people's minds? It certainly is on people's minds in Ontario where there is a provincial election going on. The *Globe and Mail*, hardly a radical paper, in talking about Mr. Harris says he will do away with the employment equity program if given a chance as the premier of Ontario.

The paper asked: "Is it radical to propose that Canada's only quota base affirmative action program", meaning the employment equity program, "which effectively requires discrimination in employment against white males be dropped along with the requirement to track employees by race, sex and disability?" No, the *Globe and Mail* says that is not radical at all, that it only makes common sense.

A May 27 article from the *Globe and Mail* says employment equity is no way to run a railroad or a newspaper. I might add that it is no way to run a country.

The article goes through the litany of problems with the employment equity program, everything from how expensive it is to how it is discriminatory, intrusive and gives a lot of power of invasion. It is so intrusive in Ontario it had to be exempt from the Ontario human rights act because one cannot be in compliance with the human rights act at the same time as one is forcing employment equity. That is how discriminatory it is.

• (1025)

Also interesting is the way much of this argument rests on a few words. The government says numerical goals are really not coercive and that numerical targets are not really quotas. The government says not to worry, it has numerical goals; they are not quotas, don't worry, be happy.

It is interesting because that is not according to what all Liberals say. The federal and provincial wings of the Liberal Party are divided. We saw a senior federal Liberal saying a Liberal is a Liberal is a Liberal. We have had numerous statements in the House from federal Liberals endorsing the provincial Liberal program of Lyn McLeod. What did Lyn McLeod say about employment equity?

Mr. Abbott: Lyn who?

Mr. Strahl: She is the leader of the Liberal Party in Ontario. On May 18 there was a major television debate which started off with a question on employment equity, what would all three of the major parties do with employment equity.

The provincial Liberal leader repeatedly attacked the NDP premier of Ontario about the language of employment equity. I quote from the Liberal leader of Ontario: "For me employment equity means ensuring that there is real equal opportunity in the hiring process, in the promotion process. That to me means that we do not support a quota approach by any other name, including numerical targets. To me a quota approach in employment equity is a violation of the principle of equal opportunity".

She went on to say numerical targets by any other name are an approach to quota because it focuses on the end goal. It does not deal with where the efforts should be, which is to ensure at the start of the process that real barriers should be removed.

What does Bill C–64 propose? The government is now trying to ram the bill through committee. One of the first sections of the bill relates to numerical targets. It says not to worry, it is not a quota, it is a numerical target. Numerical target is a harmless little thing meaning, according to Lyn McLeod, a quota. That is exactly what it is. It is a quota and hon. members know it. That is why this kind of legislation is repugnant to people looking for equal treatment for all Canadians and not special treatment for some which causes discrimination against others.

She was talking about equality of opportunity. If I were to take her position on this issue, she talks an awful lot like a Reformer. I almost hate to admit that, but that is the Reform Party position. The Reform Party position is we should ensure equality of opportunity but we cannot guarantee equality of results.

I do not understand why the federal Liberals and the provincial Liberals do not get their act together on this. They should look through the two red books. They both have a red book. One is more discredited than the other because the other one has not been around for quite as long. The provincial red book says they

will abolish the numerical targets. That is why they are to do away with it; it does not foster equality.

The leader of the provincial Conservatives says he will do away with the whole program. The federal Liberals seem to be eye to eye with the NDP. They are the only ones in the provincial election who are saying numerical targets are admirable. They along with the NDP seem to think it is a good idea. Even the provincial Liberals say it is not a good idea.

The Liberals probably have honourable intentions. They believe they are trying to foster an attitude of equal opportunity. Unfortunately it is based on a series of wrong assumptions which I will go through at this time.

To begin with, the idea we can somehow have numerical parity, that numbers will somehow make things non–discriminatory or more just is false.

• (1030)

There are all kinds of reasons why people are involved in different occupations: cultural, geographic, economic, historical. People have put other priorities in front of certain types of jobs and people sometimes do not even want to enter the workforce or do not want to work full time. There is never going to be a precise numerical target equalling the representation of the workforce in any one occupation. It is not possible. It will never be possible, no matter how you try to legislate it.

The entire legislation is based on a false assumption. The assumption is that Canadian employers are somehow systemically discriminatory; they are bad. The assumption is that they systemically discriminate against people, they are guilty, and we must force them to jump through hoops. And even if they are not guilty, their parents or grandparents probably were, so we will force them to jump through the hoops and go through a book of instructions. If they do not do as they are told we will jump down on them with the compliance police in order to make sure they do it.

It is wrong to assume that employers are discriminatory. I realize we do not live in a perfect world, but where we have examples of discrimination I say the courts and the human rights tribunals should come down on them like a ton of bricks. We have no patience on this side of the House for people who have discriminatory practices toward anyone. All people should be treated equally. When they are not, then the courts and the tribunals should do their job and make sure that those employers are punished properly. That has always been our position.

We also have big problems with the statistical base this whole thing is founded on. For example, 10 per cent of aboriginals refused to even be enumerated in the 1991 census. Also, we will be working with 1991 statistics until the year 2003. In other words, we are going to try to mesh current employment practices with 12–year–old statistics at a time when the demographics of Canada are changing so fast. It just is not going to work. Also, broad statistical generalizations do not take into account that certain groups, even if one believes in group rights, do not need any help.

Not that I like to do this, but Statistics Canada breaks down the Canadian population based on ethnicity and income. If we take the top earning group in Canada by ethnicity, which I think is a repugnant thing to even ask, the people of Japanese origin have the highest per capita income of any group in Canada, followed by Jews and Egyptians, if we take it by ethnicity.

Why would we want to put together an employment equity program that favours, in this case, the highest per capita income group in Canada? If we want to fulfil the letter of the law, if not the spirit, all we have to do is say we will hire this group or that group. Of course we should be hiring based on merit, not on ethnicity. However, if we are filling our quota we may be filling it up with people who do not need assistance, leaving others aside and hiring those who already have a good job or a good statistical average, if that is what matters.

It is interesting that the biggest problem with this statistical base is that in 1991, 765,000 people refused to say what their ethnic background was. Do you know what they put down? They put down "Canadian". Statistics Canada said it would get to the bottom of this by changing the next one so that people will have to answer what their ethnic background is, because we cannot have this dangerous trend where people are starting to call themselves Canadians; we must have hyphenated Canadians. Stats Canada is going to change its forms to ensure we get more hyphenated answers in the next go around. I am so pleased to hear that. That is disgusting.

We are also very concerned about the coercive nature of this. Bill C–64 and the current employment equity practice says that people must self–identify their ethnicity and whether they are one of the four designated groups: a visible minority, a woman, a disabled person, and what is the fourth one? Anyway, they must self–identify. What happens if they do not self–identify? The legislation and the courts say they cannot be forced to do it.

• (1035)

It is interesting that DND must now take part in the new process and it has started the identification process. It sends around a questionnaire, which is in two parts. It says on the top: "You must fill out out the top"—the top being your name, rank, serial number, and so on. Part two is optional—wink, wink: "You do not have to fill out the second part about your ethnic background. You will not be discriminated against if you do not. Do not worry about it. Just fill out the top. And if you do not fill in the bottom part, that is fine. Do not worry."

Let us get serious. Once our name is on the piece of paper we are not one of the players in the game. It is left up to the personnel manager or the promotion officer or whoever to say: "Is this guy playing by the rules or not? I am going to ask him to fill out the bottom part and then we will get the ethnicity on this piece of paper if it kills us." That is a very dangerous trend.

We think the whole system is wrong. It is very open to abuse by those who might lie on a form. For example, what would happen if we just encouraged everybody to put down that they consider themselves a member of a minority group? Everybody in Canada, let us all self–identify as minorities. In the end there could be a whole program designed around totally false statistical information, which of course is wrong.

I mentioned that there are only four designated groups. Although the government has no plans at this time to admit other groups, it is interesting how others can be read into it. We know that the courts can read other groups into the charter of rights. Last week, for example, although it did not actually say that homosexuals are included under section 15 of the charter, the federal court said they should be, doggone it, and they will be in future court references. Therefore, the idea that there are only four designated groups could well be expanded.

In the United States one New York firm had to do an entire survey of its workforce, with special attention being given to Canadian Americans, to find out if they had been discriminated against. I guess I should be grateful for that. Maybe we will get employment opportunities in the United States. It just shows how ridiculous it can be when it is taken to its logical extreme.

Employment equity is also very expensive. In the United States, where it has been in place for some 30 years, estimates from *Forbes* magazine say that it now takes up almost 4 per cent of GDP per year. Billions and tens of billions of dollars in the United States are used up, wasted, instead of helping individuals who need help. Money is wasted on government programs that have not proven effective in helping these groups at all. In Canada it is just starting, so it is not nearly as intrusive and not nearly as expensive; still, it is estimated that about 1 per cent of GDP is wasted on employment equity programs. That is $6 billion or $7 billion a year that is not even helping the people the government wants to help. It is being wasted in book work, reporting, jumping through the hoops, making it look good and so on and not really helping people based on need.

Reform sees this very much as a drag on our economy and a hidden tax on businesses that we cannot afford. It also hurts the designated groups. Many studies have shown how people feel patronized when we say we must have a program to make sure, for example, that we must hire women at this particular place of employment and we must have a special program. The inference is that somehow women are not qualified. Well that is just ridiculous. Fifty–five per cent of people who graduate from universities today are female. I am pleased to see that women have taken a leadership role in all avenues of our country and are continuing to expand as we move from a culture that was basically a home based job of rearing children and looking after the house and so on. We have evolved from that to a culture where women are accepted and should be accepted in all areas of the economy.

• (1040)

To say they somehow cannot compete on an even footing is very patronizing, not only to women but to the other designated groups as well. We have a role in government to ensure equality of opportunity. We should challenge everyone to compete equally. It is the role of government to ensure that and not to dictate the results on the employment side.

There are many other things my colleagues will be bringing up dealing with what is wrong with this whole idea. I look forward to the debate as it unfolds.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I am shocked and deeply saddened, as I am sure most Canadians are, by the appalling lack of knowledge and the insensitivity shown by the hon. member's motion. It would be laughable were it not so lamentable.

Discrimination is no laughing matter. This mean–spirited motion adds insult to injury for millions of Canadian women, aboriginal peoples, visible minority members and persons with disability who already know all too well the disadvantages of being a member of these designated groups.

It is patently clear that this attempt to kill Bill C–64 is nothing more than a desire to turn back the clock to the days when men were men and everyone else knew their place. Canada cannot afford the anachronistic attitudes embodied in this opposition motion to stand in the way of progress.

To those who are members of the designated groups employment equity is about human decency and democracy. It is the freedom to exercise constitutionally guaranteed rights, to participate in the political process and to make contributions to the economic and cultural fabric of Canada.

Employment equity means simply that everyone is treated equally, not preferentially and not to the detriment of non–designated Canadians. It means only that qualified candidates, regardless of gender, race, or physical or intellectual capacity, will be given equal consideration for recruitment and will be promoted on the basis of merit.

I would like to point out to the House the flawed thinking at the foundation of this motion and to clarify the obvious advantages of the proposed employment equity amendments. Let me address the litany of complaints about Bill C–64 one by one.

First let us look at the suggestion that the legislation is unnecessary. Tell that to the Canadian human rights commissioner, who in 1994 alone fielded a total of 1,372 complaints based on either disability, race, colour, national or ethnic origin or sex.

I challenge the hon. member to test his thesis on persons with disabilities in this country who are being hired in proportion equivalent to about one–quarter of their representation. Along with aboriginal peoples, they experience the highest unemployment rates in this country, at 18.5 per cent, which is double the national average.

Perhaps he might explain to young, visible minority Canadians, who are generally better educated and trained at higher levels than the general population, why they too experience significantly higher rates of unemployment. Let him tell the women of Canada there is no need for employment equity when although they may prove themselves to be eminently qualified for jobs they are often still unable to break through the glass ceiling.

To quote Madam Justice Rosalie Abella, the former chair of the royal commission on employment: "For every woman in the thousands whose glass ceilings have been melted, shattered or raised, there are women in the millions who think a glass ceiling is just one more object to polish".

• (1045)

I want to remind the members of the Reform Party that white male Canadians make up just 45 per cent of the workforce yet they land 55 per cent of all jobs. Men account for roughly 90 per cent of all senior managers. They also earn on average about 20 per cent more than women workers.

The recent Wannell and Caron report which looked at employment equity groups among recent post–secondary graduates found that even if men and women start out on an equal basis in the labour market, a change occurs as they progress in their careers. The earnings gap tends to grow over time within a group of graduates. The report's authors discovered the female–male earnings ratio dropped by 5 per cent over a five year period.

I ask the House: Does any of this suggest members of designated groups enjoy preferential treatment? The figures speak for themselves.

Speaking of numbers, the opposition's claim that employment equity is too costly just does not add up. This initiative has been designed to minimize the regulatory burden and cost to business by streamlining and simplifying the requirements into a single legislative approach. To ensure any new regulations result in the least burden possible, consideration is being given to using a business impact test developed by the Department of Industry.

Coverage of the Employment Equity Act has not been extended to include small business, nor has coverage of the federal contractors program been expanded. The threshold remains at 100 employees.

There will be some cost to private sector employers for responding to audits under the act but they will be offset by the savings resulting from the proposed amendments in the Canadian Human Rights Act. Costs to government have also been carefully calculated.

I can assure the House that the Department of Human Resources Development will not experience any additional expense as a result of this legislation. The Canadian Human Rights Commission has also indicated it can undertake the compliance related activities in Bill C–64 within its current budget.

These cost considerations do not begin to take into account the many economic benefits of employment equity. Progressive employers report employment equity gives them a competitive advantage. They say the legislation helps them attract, retain and motivate employees from all backgrounds, not only an advantage in terms of human resources but also in tapping the more diverse marketplace. It is clear that on this front the Reform Party is seriously misinformed, as it is with respect to employment equity's popularity.

I remind the hon. member that the Standing Committee on Human Rights and the Status of Disabled Persons conducted broad consultations, hearing from over 50 witnesses representing the interests of business, labour and designated groups. The vast majority of those witnesses indicated they were in favour of employment equity. Needless to say, so are the millions of Canadian women, persons with disabilities, visible minorities and aboriginal people who make up more than half of the country's population. It is hard to argue with numbers like those.

I must confess I have the most difficulty trying to comprehend the opposition's argument that employment equity has been discriminatory and harmful to designated groups. While there is undeniably a lot of work yet to be done, members of many of the designated groups have seen substantial progress since the original Employment Equity Act was introduced.

Women's representation in the workforce is now in line with their availability, although many continue to be ghettoized in low paid and part time work. Movement into management positions is improving. Women's representation in middle management positions increased from about one–third in 1987 to

over 43 per cent in 1993, while their share of senior management jobs more than doubled to just under 11 per cent.

• (1050)

Visible minorities have also made slow but continuing progress in all occupational groups, including management. The representation of visible minorities in the actual workforce increased from 5 per cent in 1987 to more than 8 per cent in 1993. That is close to their 9.1 per cent availability rate. The really good news is in the banking sector where visible minorities enjoy their highest representation at 13.4 per cent.

It is important to point out to the House that these gains have not come at the expense of other Canadians. In a statement accompanying the 1994 annual report of the Canadian Human Rights Commission, chief commissioner Max Yalden said: "Far from falling behind, able bodied white males appear to be getting more than a proportionate share of hiring. Such data hardly convey a convincing portrait of reverse discrimination".

The very real danger of this motion is that it could cause serious damage. If adopted, it would recreate in law an unacceptable working standard for millions of disadvantaged Canadians. It would tacitly condone racism, sexism and other forms of discrimination which we know already exist in the workplace.

It would permit prejudice to go unchecked and might even encourage the outright acts of physical or sexual harassment of the most vulnerable. Now that I have outlined what is wrong with the opposition's motion, let me talk about what is right with the actions this government has taken in the area of employment equity through Bill C–64.

As we promised in the red book, the new employment equity act will broaden its coverage to include both the public service and the private sector. The revisions to the legislation will establish the same core obligations on public and private sector employers to develop and implement equity plans and programs.

The present act covers roughly 5 per cent of all people employed in Canada. Extending coverage within the public service will add another 2 per cent. When one considers that there are roughly 230,000 employees among the 80 federal departments, boards and agencies, the changes represent a substantial number of new opportunities for members of designated groups.

Inclusion of the public sector is a fulfilment of our pledge in the red book to have a federal workforce representative of the public it serves. For the same reason, federal contractors will also be obliged to comply with the principles of the Employment Equity Act.

Another key improvement to the legislation is the increased authority of the Canadian Human Rights Commission. Its mandate is being broadened to allow it to conduct audits of public and private sector employers to verify and gain compliance with the act.

The changes will clarify the commission's enforcement powers to ensure that employers pay more than lip service to the principle of employment equity. I can assure the House however, that the amendments are not meant to be heavy handed. The fact that an enforcement mechanism will be established is a guarantee. The legislation is intended to achieve a balance. The act will not set out to solve one set of problems for employees by creating another one for employers. Changes to the regulations will be minimal and developed in full consultation with business.

This government is committed to creating an environment conducive to economic growth and job creation. We are convinced that the proposed amendments which will not increase the paper burden will allow us to do just that. We are working to do everything possible to ensure that every Canadian, regardless of gender, race or physical attributes, has a chance to fulfil his or her potential, to get a rewarding job and to contribute to the social and economic health of Canada.

Employment equity is not an impediment to progress. It is a catalyst for improvement in the workplace. Workforce diversity will enhance Canadian companies' competitiveness in the global economy at very little cost.

• (1055)

I ask members of this House how any of us can put a price tag on personal fulfilment and the dignity that comes with having a job. Ultimately, the amendments to the Employment Equity Act are not about counting numbers or instituting new rules and regulations. They are about providing enhanced opportunities for self–sufficiency and self–satisfaction for women, aboriginal peoples, persons with disabilities and members of visible minorities. They are about giving meaning to the lives of millions of work ready Canadians, men and women seeking the respect and recognition, the salary and enhanced lifestyle that comes with work.

The proposed changes are designed to promote the optimal use of our rich human resources. They are intended to act as a stimulus to our national economy. They are a reflection of the progressive way this government is addressing the employment equity issue.

The misguided motion put forward by the opposition misses the point. Bill C–64 is an affirmation that hiring and promotion should be based on merit rather than special designation. The bill is designed so those decisions are based solely on the bona fide requirements of an occupation and not on any other non–job related criteria.

The legislation clearly states that the obligation to implement employment equity does not require an employer "to hire or promote unqualified persons". With respect to the public sector I will quote again: "to hire or promote persons without basing the hiring or promotion on selection according to merit". That

of course begs the question: What could anyone possibly find discriminatory about that?

I can only conclude, as did the Canadian human rights commissioner in the annual report last year, that occasionally the tone of the opposition to employment equity seems more than a little shrill. For all who believe in the principles of democracy and the noble ideas of this institution, the Employment Equity Act is a welcome reminder of the values we hold dear as a nation. It is an affirmation that Canadians are just and honourable people who passionately believe in fairness and dignity for all.

I am proud to count myself among those individuals who support employment equity. I urge members of this House to defeat this draconian motion.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I am glad the member counts himself in support of employment equity. In my province he joins 11 per cent of the population who would agree with him, and only 11 per cent.

I was on a talk show last week about the issue of employment equity. The host of the talk show asked me a couple of questions which may be similar to what the hon. member mentioned. For example, one question was: How will we make sure that employers hire the best? The member talked about progressive employers attracting the best employees. It may possibly be that because this legislation was designed in Ottawa that this whole concept is so flawed.

Members should take the time to come out to Vancouver sometime because there is actually a country that exists beyond the Rocky Mountains. They should come out and see what British Columbia looks like. British Columbia, especially Vancouver and the lower mainland, is the most cosmopolitan area in Canada.

Hundreds of thousands of people from all different ethnic backgrounds live in harmony together in the lower mainland and work well together. By the year 2000, 85 per cent of all new job applicants will come from those four designated groups. What employer in Vancouver is going to say: "I am going to refuse to hire the best people I can get". That is an employer who is on the way out and is going broke.

• (1100)

In Vancouver if employers are not prepared to hire the best people, regardless of gender, visible minority status and so on, they will not be able to compete on the west coast of Canada. They must hire the best. Employers in the lower mainland find this laughable. That is why there is only 11 per cent support in the entire province. They look at this and say: "We are hiring the best. I do not care what gender they are, what colour they are or what background they have. We want to hire the best people we can".

Although they talk about the progress since employment equity was brought in, the old Employment Equity Act, employers who have been covered under the act for the last eight or nine years have done absolutely no better in hiring people from the designated groups than employers who are not covered under the act. In other words, they have done all the paperwork, gone through the motions, done the surveys and spent the money but it has not made a lick of difference. If it helped maybe I would be persuaded, but it has not made any difference because employers in the non–covered areas have done equally as well in hiring people from the designated groups.

In Toronto, if we were to take the low income people by ethnicity, Portuguese people have some of the lowest per capita incomes, the lowest employment rates and one of the lowest graduation rates from high schools. It is a problem in that community. The ironic part is that they could live across the street from someone who fits in a visible minority group and the visible minority would be covered under the program but the Portuguese people would not be covered. Why? Because they do not fit the right criteria.

They have demonstrated need. They have historical disadvantage. They have low per capita income. They have poor job opportunities. They have less education. They have need of assistance based on need, not based on ethnicity, but they cannot get assistance because they are not in the right group. That is totally unfair because that group needs help as much as or more than any other person who might be living on that street.

I would like the member to respond to any of the comments I have made and to give me examples from his list of employers who have been using poor employment practices. As I mentioned earlier, nowadays the people who refuse to hire the best are the companies on the way out. That is good. If they are not hiring the best they deserve to go broke. However they should not have to hire based on a quota. If it is 80 per cent female, what is the difference? If those are the best people they can find for the job, great.

I would like him to tell me about his list of discriminatory employers who he will whack into line with this coercive legislation.

Mr. Bevilacqua: Madam Speaker, I am wondering whether the hon. member listened to the speech I delivered or paid enough attention to the great number of people who appeared before the human rights and status of disabled persons committee to understand that the Employment Equity Act is a positive measure by the government to ensure that some of the inequities in society are addressed in the fairest possible way.

One of the exercises the hon. member should do, if he is serious about bringing about positive change to society, is to look at the power structure in the country, whether political or economic, to see whether the cultural diversity present in the population is reflected within the power structure. He could perhaps read *The Vertical Mosaic* by Porter, which will enlighten him a great deal about the sort of things we have to do to make society a fairer and more just society than it is today. I cited a few statistics during my speech that clearly illustrated it was a very fair act that was trying to address some of the existing inequities.

• (1105)

I know where the hon. member and the Reform Party are coming from. They are concerned a great deal about the white male relationship to the economy. I understand their instinctual response to that because obviously intellectually it is very poor.

I want to tell them again, so they can get it straight once and for all, that while white Canadian males make up 45 per cent of the workforce they land 55 per cent of the jobs. When Reform members are speaking to their constituents they should present them with the facts of life as they relate to the Canadian reality. They should try to tell them that discrimination unfortunately exists in the country. It does affect aboriginal people, persons with disabilities and visible minorities who are not given fair treatment in our economic system.

We as a society could close our eyes to that reality, or we as a government could open our eyes to the reality and try to address it. Through Bill C–64 the government is heading in the right direction.

I say to the Reform Party that it should not kid itself. Canadians understand where that party is coming from.

Mr. Abbott: Oh, yes.

Mr. Bevilacqua: They understand exactly what the motion is all about. They read between the lines. The hon. member can couch it in elegant language but we know what it is all about. The Canadian people know what it is all about.

Reformers will have to go to the people of Canada and talk to over 50 per cent of the Canadian population who have not been given a fair deal. They will have to explain their stand and tell them that the hiring practices existing in the country are fair to all. When the Reformers have those answers they can come back here. They can speak to the people with disabilities, to visible minorities and to all the groups that appeared before the committee. They can give them the right answers and not play cheap politics with something that is extremely serious to our economic system.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I thank you for allowing me to take part in the debate. Once the House has returned to normal, you will permit me to say what is obviously a fact and what I am proud to point out: that the Bloc Quebecois supports the bill on employment equity.

You will understand my concern that we should be dealing, in this House today, with a motion that is, in my opinion, ultraconservative. It is very backward and has a major strike against it because it fails to take into account a basic premise, which has been brought to our attention by a number of witnesses since December. The Standing Committee on Human Rights of which I am the vice–chairman has been working for almost seven months on employment equity.

I can assure you that we have had a number of people come and remind us that one would have to be completely blind and particularly obtuse not to understand that, when it comes to dealing with the labour market and finding one's niche in an organization, people are not all equal before the law.

Permit me to point out that the notion of employment equity is not new. In the early 1970s there was a movement in Canadian society and people demanded that legislators intervene to promote greater equality among individuals.

• (1110)

There are, in the area of employment equity, two major types of discrimination. There is discrimination, which is more at the individual level in our society, which takes the form of prejudice and stereotypes and which is found in interpersonal relationships. There is another broad type of discrimination, which is systemic. This means that the system, the labour market, left on its own, would generate inequality of itself, and we would find ourselves in a situation created by a set of practices and procedures. The most obvious example of this, which we all know, is that women do not have the same career options.

These arguments could also apply to politics. We must acknowledge that women interested in a political career face additional requirements because there is a social division of labour which takes for granted that women should be responsible for child care. The same goes for the labour force. It is much more difficult for a woman to reach management levels because of the social pressures that still exist in our society.

That is why in 1983 the Liberal government then in power asked Judge Rosalie Abella to lead a commission of inquiry and recommend what could be done to achieve greater equity in the workplace. What is interesting about this commission, which made 31 recommendations—including some that have become

law and some that are included in Bill C–64—is that the Isabella Commission defined discrimination right off the bat. The commission defined discrimination as the arbitrary barriers that deny some people the opportunity to demonstrate their abilities.

This definition underlines the early link between the desire to end discrimination and the notion of ability.

What I find most appalling, most disgusting in the Reform rhetoric is that, throughout committee proceedings, they tried to establish a false link between employment equity and ability. As if public or private sector employers promoting employment equity had to hire incompetent people.

Right from the start, the Abella Commission made it clear that the two employment equity laws did not require employers in any way to hire incompetent people.

There is something very loathsome as well as some dishonest associations in the Reform Party's arguments.

What was the situation? Now that the Employment Equity Act has been in effect for nearly seven years, we see that some progress has been made. Let us look, for example, at the four designated groups. As members know, employment equity is a requirement for private sector employers with 100 or more employees. At the present time, the Employment Equity Act affects roughly 5 per cent of the labour force and 350 employers. We have not done nearly as much as we could to provide greater coverage for the labour force.

So, any employer who employs one hundred or more employees and does business under federal jurisdiction is required to develop employment equity plans indicating how he will ensure that his workforce better reflects the representation of various groups in the Canadian workforce. This is the purpose, the basis for the Employment Equity Act. Employers are asked to pay special attention to four groups which have a harder time finding a place in our society.

• (1115)

Which are these four groups? They are, as you know, visible minorities, members of ethnic communities; women of course, to whom you are very sensitive and who make up 52 per cent of the Canadian population; aboriginal people and people with disabilities.

Figures show that progress has been made. There are certainly more women and members of visible minorities in the workplace today than before. Let me give you some figures.

In 1987, one year after the Employment Equity Act was first passed, visible minorities represented five per cent of the labour force; in 1993, they represented 8.09 per cent of the labour force. So, there have been gains; there has been some progress. But can we reasonably assume that, without legislation to sensitize employers to visible minority integration, without influencing the labour market in any way, this would have happened anyway? I think not.

As for women, in 1987, they represented 40.93 per cent of the labour force and, a few years later, in 1993, 45 per cent. There have indeed been gains, but we must never lose sight of the fact that women make up half of the Canadian population and that it would be unacceptable for the workplace not to reflect this reality.

As for the other two designated groups, namely aboriginal people and persons with disabilities, they may well be the greatest source of concern to us parliamentarians. While the situation is relatively positive for women and for members of visible minorities, aboriginal people and persons with disabilities still have a long way to go.

In 1987, it will be remembered, aboriginal people accounted for 0.66 per cent of the workforce, compared to 1.04 per cent in 1993. This is not even a one per cent improvement. It is important to recognize the need to make room for more aboriginal people on the labour market.

Persons with disabilities account for 13 per cent of Canada's population, something which cannot be overlooked as we are about to enter the 21st century. There are more and more persons with disabilities in our society. These people want to work, and they can be part of the labour force. In 1987, persons with disabilities accounted for 1.59 per cent of the work force, compared to 2.56 per cent in 1993. This represents an increase of just under one per cent.

These figures are a reminder that, when it comes to employment equity, we can certainly not say "mission accomplished". There is still work to be done. I take exception to the comments made by the Reform Party.

Throughout the proceedings, we heard Reform members shamelessly and unacceptably claim that, in 1995, there existed what they called reverse discrimination. They said that, in our society as well as in the workplace, those who are discriminated against and for whom policies are required are in fact white men with no handicap, a group which the neoconservatives of the Reagan era called the silent majority. This is the simplistic argument used by Reform members.

Yet, we see—according to the figures released by the Canadian Human Rights Commission—that white men with no handicap hold 55 per cent of available jobs, while accounting for 45 per cent of the workforce.

Given these figures, how could we possibly agree with the simplistic views of the Reform members and their comments on reverse discrimination?

Another study, conducted by the Pearson Institute, is very enlightening. Two years ago, this institute estimated that, of the people in the top 500 positions in Canada, the movers and shakers who make the most important decisions and have

enormous influence on the government's decisions, less than 1 per cent were aboriginal people, less than 4 per cent belonged to a visible minority and less than 12 per cent were women.

• (1120)

And there are nevertheless still people around who say that there is no need to legislate a more even distribution of influence, power and management positions in our society, than what currently exists.

If they would only make the effort to methodically write up the profiles of the members of each designated group, they would see that there are still some extremely unsettling problems and inequalities. Of course, we are not saying that nothing good has come of the legislation in the seven years since it was passed. We realize that women and visible minorities have made advances. But we can in no way sit back and exclaim: "Mission accomplished".

Let us look a little closer at the realities of the designated groups. In 1994, even 1995, it is downright awful that the average woman working in the private sector, doing exactly the same job, reporting at exactly the same level in the management chain, and holding exactly the same responsibilities as her male counterpart earns approximately 66 per cent of what the man earns. It is statistics like that which should make us all indignant. Why should we tolerate, as parliamentarians, the fact that, as our society prepares to enter the 21st century, a woman and a man with the same responsibilities and qualifications are not paid the same salary?

It is odd that the Reform Party does not mention this reality. This is absolutely incredible, given the large–scale awareness campaigns led by Treasury Board. So, how is it that, during the course of our work the Reform Party never concerned itself with this reality? What about visible minorities? If we conducted a little experiment and put ten members of visible minorities and ten Caucasians—and I say Caucasian because this is the expression used in the Act—in the same room, we would realize that there were more university graduates among the members of visible minorities than among the Caucasians. And yet, half the time, members of visible minorities are limited to jobs that require little education, pay little and involve manual work.

Who is going to tell me that we, as parliamentarians, should not be concerned about this injustice? This is the reality. And then, what about native people? A report was recently tabled in the House on social problems among the native population. The rate of suicide is extremely high among native peoples. My colleague, the hon. member for Saint–Jean, could speak much more movingly and more expertly than I on this subject. However, the latest statistics have revealed that, in 1993,—and we are not talking about 300 B.C.—the rate of unemployment among native people was still double the national average.

Native people are concentrated in jobs requiring less knowledge and fewer skills and even more in so–called manual jobs. You would not be surprised to learn, Madam Speaker, that the annual employment income of native people is lower. If you have a job, earn a salary and are a native person you, in all likelihood, will be earning $10,000 less than your white counterpart. This is unacceptable, as you will understand.

As regards persons with disabilities, this is perhaps where the Employment Equity Act has made the least progress. This is understandable, because integrating a person with a disability requires employers to make alterations, what the courts have called reasonable adjustments.

• (1125)

It is because of these realities that we must support a bill like the one tabled by the government. I am not saying that, as the official opposition, we do not have a few reservations about this bill. As the committee members know, we put forward a number of amendments. I would have preferred the employment equity plan to be developed jointly by the workers' representatives and the employers, but such is not the case.

What is the Reform Party so worried about in this bill? Why must we spend our time trying to convince our Reform colleagues that a law such as the Employment Equity Act is necessary in Quebec and Canadian society?

Bill C–64 provides for something that we have been demanding for six years: it will now apply not only to 600,000 private sector workers but also to the Canadian public service. This means that, at a single stroke, 200,000 additional workers will enjoy greater protection. I see this as a positive development, since we must recognize the absurdity of asking private sector employers to promote employment equity while exempting the government. We have waited several years for this amendment.

Another positive point is that there will now be an entity in charge of enforcing the act. While employment equity was previously under the jurisdiction of the minister and the human resources branch, the Canadian Human Rights Commission will now be responsible for enforcing the act. The commission may audit reports and establish an employment equity review tribunal. From now on, when employers do not submit their reports in time or when compliance officers discover violations, a quasi–judicial tribunal will have the power to investigate. That is an achievement, a very positive development, that must be applauded.

What is also very positive, as I think we pointed out earlier, is that we used to ask employers to make a quantitative assessment of their efforts.

In conclusion, the Bloc Quebecois is very much in favour of this bill, although we do have a few amendments. But I cannot understand how the Reform Party can take such a small–c conservative, reactionary and deplorable position on human rights.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, I listened to what my hon. colleague for Hochelaga—Maisonneuve just said and I was shocked by his criticism of the motion and of the Reform Party for having moved it.

I was shocked because he said that the Reform Party was almost taking the stand that you had to be white, male and without a disability to participate fully in the labour market without being discriminated against. Upon analysis, we realize that the separatist option supporter said basically the same thing; you must be either pro–sovereignty or white and you must absolutely be an old–stock Quebecer to participate in this option.

I would like to quote a few statements that were made. Taking part in a debate in this House on January 27, 1994, the hon. member for Longueuil clearly stated that multiculturalism "is something that has created ghettoes". In an interview for the daily newspaper *Le Devoir*, the Quebec Deputy Premier said that Quebec would not use public funds to subsidize difference, stating that his government was against multiculturalism.

• (1130)

Minister Louise Beaudoin said that she wanted to live in the society she wanted and was wondering why she could not live in the country to her liking rather than to the liking of English Canadians. "Canadians want a multicultural society, she said, but I do not. This would leave the door open to social ghettoes. I am for integration and against the wearing of the Islamic scarf at school".

So far, Bloc Quebecois supporters and the Quebec government have not shown that they were open to visible minorities and, I might add, to anyone who does not share their political views. We will recall how these minority groups were treated during the public consultation process on the future of Quebec.

I would like the hon. member for Hochelaga—Maisonneuve to tell me how he envisages their proposed society, their nation–building project. How can he justify the position taken by his party and the Quebec government? The fact that aboriginal people must give in to the Premier currently responsible for this issue was raised as an example. What assurances can he give young Quebecers that their future will be brighter? How can he tell aboriginal people in Quebec that their future will be brighter? How can he tell visible minorities that, as he said himself, their future will be brighter? All those minorities.

So far, no matter how hard they criticize the Reform Party, they have done no better. They have clearly demonstrated as much intolerance as the motion before the House this morning.

Mr. Ménard: Madam Speaker, I thought you would have availed yourself of the rule of relevancy. I do not know whether the term "stupid" is unparliamentary, but it spontaneously comes to mind.

I cannot understand how someone can be as confused, as blind and as mixed up as the member for Vaudreuil. You should ask one of the pages to bring him some aspirin, because there is definitely something wrong with him.

I have been working with the government party for seven months to improve employment equity, and the member has the nerve to rise today and speak against the Bloc Quebecois. There is something wrong with him.

Let me kindly remind him that the issue being debated today is whether or not the motion tabled by the Reform Party against the actions of his government is supported by the official opposition. We made a speech in which we expressed our concern about the ethnocentric attitude—the member may not understand that term, but we will send him a dictionary—of Reform members, and the member finds a way to rise and be disrespectful towards me.

I will conclude by telling him this: As for sovereignty, if he wants to debate the issue, I am prepared to do so anytime, anywhere.

I will also tell him that, if he looks at the way the Parizeau government, and the previous Quebec governments, particularly the PQ governments, have treated the English–speaking minority, to which I think the member fully belongs, he will realize that he need not worry at all and, also, that we have no lesson to learn from him, given the respect which we have always shown towards the English–speaking community in Quebec.

The members' comments are shameful, unacceptable and totally irresponsible, in my opinion. I am sure that the Minister of Human Resources Development and his secretary of state are outraged by the fact that a government member would rise to make such irresponsible comparisons.

As for the issue of a better future for sovereignists, the hon. member has come up with a rather stupid and meaningless argument, and I would remind him that when Mr. Lévesque held the referendum in 1980, the federal debt stood at $75 billion. Consequently, when the member rises in this House, he should never forget that the debt now stands at $600 billion.

I am not worried about Quebec's future, but I certainly am concerned about the future of Canadian federalism.

• (1135)

[*English*]

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I agree with the hon. member that we are getting off topic in a very serious way.

I would like to bring the discussion back on track by saying to the member that he knows full well that the Reform Party is not in favour of any particular ethnic group in Canada. We are fully in favour of equal rights and equal treatment for all Canadians.

One reason the Reform Party opposed the Charlottetown accord was because of the unequal treatment of people based on their ethnicity and background. We said that was wrong.

One trend that has been noted over the last little while is that hearing individual cases of discrimination before the Canadian Human Rights Commission takes an average of a year and a half. I agree there is still discrimination and prejudice and we must fight against it. However the time to hear individual cases has now expanded to a year and a half. The number of cases is dropping year by year because people have given up coming before the commission asking for redress.

I guess my question to the member is this. What does he think we should ask the human rights commission to stress? Should we try to get the time period for the commission to hear cases down from a year and a half to a more reasonable length of time? Should we be spending more and more of our time and energies on the group rights cases, some of them six and seven year cases? I just wonder what he thinks we should do.

Should individuals have quicker access and more resources committed to their individual cases of discrimination? Personally I believe that is what should happen.

[*Translation*]

Mr. Ménard: Madam Speaker, I much appreciate the member's logical and far–reaching question. He will perhaps share my point of view when I remind him that the human rights commissioner appeared before our committee this morning. As you know, the Canadian Human Rights Commission has a budget of close to $14 million. We learned that the backlog to which my hon. colleague is referring represents almost 600 cases.

Of course, the ideal situation for any such organization would be no backlog at all. I agree with my colleague. From what I understand of the workings of the Canadian Human Rights Commission, a body whose work I follow rather closely, it is fairly diligent, and the backlog is, in my opinion, in the acceptable range, not ideal, but acceptable.

Our colleague is right to remind us that, as parliamentarians, we must never accept a situation where the Canadian Human Rights Commission simply processes applications; it must also play a proactive role in developing policy. And it is my understanding that Commissioner Yalden reiterated this morning that that was also part of the commission's action plan.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I will share my time with the member for Halifax.

My colleagues in speaking to Bill C–64 have eloquently stated the numerous reasons why Canada must strengthen the Employment Equity Act. The changes are clearly necessary on moral, social and economic grounds.

I want to oppose this opposition motion and to demonstrate to the House that employment equity is good for the country. Let me remind the proposer of the motion that we brought forward Bill C–64 as progressive legislation that when enacted will quickly prove to be advantageous to both employers and employees.

This initiative has been especially designed to improve the plight of disadvantaged Canadians while at the same time enhancing the country's economic performance. It strikes the right balance between the legitimate needs of the designated groups and the concerns of industry about excessive government intervention, because that is what equality is all about; achieving equilibrium.

• (1140)

If the intent of the opposition motion is to satisfy business and industry concerns, the legislation will actually minimize the regulatory burden and cost to business by simplifying and streamlining procedures. All that is within the bill.

The Employment Equity Act that is before the House will not tip the scales in anyone's favour but instead will serve the best interests of everyone in the country. Quite simply, employment equity is good for Canada.

Canadians are proud of Canada's linguistic and multicultural diversity, so much so that we have enshrined equality in this country's Constitution. We believe firmly in ensuring the protection of individuals' rights, especially those most vulnerable to overt and systemic discrimination.

Report after report, research study after research study, prove that discrimination is a disturbing fact of life for too many Canadians, marginalized from the mainstream because of their race, gender or physical attributes.

I could go on to give the statistics because they disprove the suggestion that these individuals enjoy preferential treatment under the existing legislation. I would ask the opposition to support Bill C–64 because it incorporates constructive contributions of the many Canadians who appeared before the Standing Committee on Human Rights and the Status of Disabled Persons

to ensure that they achieve a reasonable balance. Good employment equity deals with workplace problems in a fair and even handed way.

Let me address some of the misconceptions that some people have about Bill C–64. First, we want to be quite clear that the government has no intention of legislating quotas. In fact the act specifically states that quotas cannot be imposed.

Under the legislation, a quota is defined as a requirement to hire or promote a fixed and arbitrary number of persons during a given period. What the act calls for are numerical goals, goals based on the availability of qualified people to do a given job. That is because the philosophy underlying the act is merit, not tokenism.

Under the provisions of Bill C–64, employers are responsible for setting goals and timetables to achieve greater equity in the workplace. The new law would oblige them to make reasonable efforts to achieve that objective.

The legislation recognizes that employers are in the best position to develop meaningful and realistic equity targets. The role of government is to assess whether the employer's numerical goals constitute substantial progress and whether the organization is truly making reasonable efforts to fulfil them.

The bill clearly states that if employers make a genuine effort to achieve greater equality in the workplace they will be found in compliance. The legislation also stipulates unequivocally that directions or compliance orders will not cause undue hardship for an employer, nor will it force firms to hire and promote unqualified people or create new positions in the workplace to satisfy numerical goals.

I should point out as well that the creation of employment equity review tribunals to hear appeals will ensure the interest and concerns of all parties are properly addressed. Good employment equity means equality for all.

There is no going back. We must move forward, removing the barriers to full involvement in Canadian society that have for too long been insurmountable and both a moral and economic imperative.

Employment equity is not about instituting new rules and regulations that will result in so–called reverse discrimination. Neither is it an impediment to business. Good employment equity is instead a catalyst for progress.

Workforce diversity allows us to capitalize on the under utilized talents and skills of more than half the country's population. That in turn enhances Canadian companies' competitiveness in the global economy.

The fundamental issue at stake is far more important than the bottom line on the balance sheet. Only when each Canadian regardless of his or her country of origin, skin colour, gender or physical attribute is free to participate fully in the economic, social and civic life of the nation can we truly say we live in a just and caring society. Our world is far from ideal but with progressive legislation like Bill C–64 we can help to reshape society in a way which will give visible minorities, aboriginal people, women and persons with disabilities hope for the present and confidence for the future.

• (1145)

Ultimately the employment equity challenge comes down to you and me, Madam Speaker. We cannot legislate attitudes. Progress depends on the willingness of each one of us to uphold the principles of equality enshrined in the Canadian Charter of Rights and Freedoms.

The motion today would almost reverse Bill C–64 and it should be strongly opposed.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I was very interested that it is not a quota when we set a numerical goal. I am having a little difficulty with that concept.

I came to the House with what I call coffee shop common sense. If I were to take this into any coffee shop in any town in my constituency and ask the people the difference between a numerical goal and a quota, I can imagine the same kind of stunned look which must be on my face would be on their faces. I do not understand.

I find it astounding the way the Liberals have taken to wordsmithing. They say it is not a quota, they do not want anything to do with quotas but they will have numerical goals. I am missing something.

An hon. member: You are.

Mr. Abbott: The Liberal members are telling me I am missing something. However, maybe I could inform the parliamentary secretary of something that happened to me as revenue critic.

I was in the Toronto airport going through the customs section being toured around by a black woman from Jamaica. She was telling me how concerned she was that the government seemed to be so set on the idea of creating the problem that she would be in a different category, someone special.

That is the coffee shop common sense of more than 80 per cent of Canadians who are saying the government does not know where it is coming from. The government does not have a clue what is happening as far as the people in Canada are concerned. The people in Canada, including the woman who gave me the tour around the customs section, simply want equal opportunity. They do not want something legislated in which there are to be some kind of numerical goals. She does not want numerical goals.

I report to the parliamentary secretary that this woman said: "I am a capable person. I have my position because I am a capable person, not because I am a woman and not because I am black. I do not want anything to do with numerical quotas or anything else like that".

I do not understand. Maybe the parliamentary secretary can help me and help this wonderful woman who gave me the tour to understand why a numerical goal is not a quota. Explain that, please.

Ms. Augustine: Madam Speaker, I rest my case on the member's statement. I am reminded of a verse I learned when I was very young: "There is none so blind as those who will not see. There is none so deaf as those who will not hear. A man convinced against his will is of the same opinion still".

I wonder if there is a will to understand. I wonder if there is a will to comprehend the whole notion of equity, equality and diversity, ensuring everyone in society who for various reasons is taken to the starting line with the word go cannot make the same progress because of various institutional, systemic and other things built into the system.

• (1150)

As an educator I can define quota and numerical goals to the member who I think is convinced against his will and will be of the same opinion.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I have a question for the hon. member, with whom we have had this discussion before.

I still do not know the difference between a numerical goal and quota. Perhaps the member would like to explain that again.

Ms. Augustine: Madam Speaker, this is 1995. We have done several things in society to ensure we address equity issues. The member and his party should have a day or a few hours of work with someone who would spend some time taking them through the process. It is a red herring and a waste of House time to be addressing those two items.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I make an offer to the Reform Party if it is serious.

In my former profession one of the things I did was gender sensitivity training, particularly for large organizations. I explained concepts such as this to St. Francis Xavier University. I am sure the members for Fraser Valley East and West would be happy to attend. I would be happy to do this if hon. members could afford me because my fees were fairly high in those days. However, we can always negotiate.

It is wonderful to be back after a week's break and share in the cloud cuckoo land sometimes perpetrated on us by our hon. friends in the third party. They seem to be saying by this motion that there is no discrimination in Canadian society except for specific and regrettable incidents here and there.

To hear them talk, we have reached a state of blissful equality. They tell us that after a few decades of human rights law any of the many and obvious differences in representation in the workplace are now really a matter of personal choice. By their logic, visible minorities, aboriginal people and people with disabilities like being unemployed more, to the tune of sometimes more than twice the national average.

They talk about women. There are a lot of us sitting on this side. We want to make less money than men. Maybe we as members of Parliament should suggest women members should not make as much money as men. That might be a good idea. Women want to make 67 cents for every dollar men make.

Mr. Abbott: In your case they will make an exception.

Ms. Clancy: They certainly would not. They are telling Canadians they are to blame for whatever fate befalls them in the labour market unless they can prove a specific act of discrimination.

When I come to give my seminar to the Reform Party—in the interest of the Canadian way I might even do it for free—I will be happy to explain the concept of systemic discrimination, what it means and how we differentiate between quotas and numerical goals. We have learned that change does come but it comes slowly and needs regular reinforcement and constant support by government and legislation.

As the Parliamentary Secretary to the Prime Minister has already said and I can only reinforce, one cannot legislate attitudes. If members need an example of this, look across the way.

Many employers have taken their role in employment equity quite seriously. They have taken a hard look at their practices and they see they are not fair. They have moved from simply trying to eliminate blatantly unjust policies to developing ones that correct problems.

• (1155)

People like my hon. colleagues have brought forth in their idea of jest the question in so far as it relates to women and employment equity. They ask about men's groups, are there any men's groups? Yes, there are. It is called western civilization. There is a long way to go. There are still inequalities that deserve to be addressed.

I bring these to the attention of the hon. members opposite. I will focus my remarks on the cold, hard statistical facts that show we have a problem when it comes to equality. They can bury their heads in the sand but all they will do is get sand up their noses.

Let me start with one piece of good news. Members of visible minorities who graduated from universities and community colleges in 1990 earned approximately the same average salary in 1992 as others who graduated that year but they did not fair as well in the other three measures of disadvantaged. Those

graduates were more likely to be unemployed, had lower participation rates and were more likely to be concentrated in lower level occupations such as clerical work.

There is plenty of other evidence that members of visible minorities face overwhelming difficulties in employment. The 1991 census showed these people tend to be better educated than the general population. Eighteen per cent reported a university degree compared with only 11 per cent in the general population. Again, they tend to have higher unemployment rates.

The unemployment rate of visible minority university graduates was 9.4 per cent in that census, whereas in the general population it was 4.1 per cent. Does that say something to my friends opposite? Heaven knows.

Among those who were working, visible minority university graduates were twice as likely to be in low levels, clerical, sales and service occupations, as non–visible minority men. That imbalance was reversed when the census looked at employment in upper levels, middle levels and other management jobs.

Some of my hon. friends might argue it was just the kinds of programs these people took. Even here the facts provide no comfort to their narrow view. When we look at the census data for people with degrees in commerce, business or management we are looking at people with degrees in tangible skills regardless of race or colour.

Why were 28 per cent of non–visible minority males with this kind of useful education in management occupations compared with only 16 per cent of visible minority members with similar degrees? Why were the earnings of visible minorities only 60 per cent of what the others made? It is ludicrous for anyone to stand in the House and suggest all this comes back to bad choices.

I hope enough facts will show hon. members of the Reform Party their glib explanations do not work in real life. I remind them, especially those who want to make inroads in my part of the world, that in Atlantic Canada we understand the questions of inequality. If they want to make inroads there perhaps they had better listen to some of this.

Mr. White (Fraser Valley West): You'll be thrown out in the next election anyway.

Ms. Clancy: Right, you and whose army? The unemployment rate for white males with university degrees was just 4.1 per cent in the 1991 census. Compare that with 7 per cent for university educated aboriginal peoples and 10.9 per cent for persons with disabilities with the same academic background.

The situation facing people with disabilities is particularly bad. They are being hired at a rate that is only one–quarter of the representation in the Canadian workforce. They experience an unemployment rate of 18.5 per cent, double the national average. Is it any wonder their labour force participation rate is only 60 per cent?

I could go on: the situation facing aboriginal people not just on isolated reserves but in our cities; the situation facing women who are disproportionately found in clerical, sales and service occupations, what the Parliamentary Secretary to the Prime Minister and I in our years as feminists—and proud we are to use that term—know as the pink collar occupations, the job ghettos. Stories of these people have been told eloquently already.

During the recent hearings of the Standing Committee on Human Rights and the Status of Disabled Persons approximately 60 witnesses came forward to share their experiences and expectations. They came from many backgrounds but the vast majority supported this legislation based on their real life experience, not some theory they posit in their group of white males getting along just fine and do not want the hoards of those people knocking at their gates.

Look out, the gates are being knocked on and they are being knocked on hard.

• (1200)

The committee heard stories of broken dreams. It heard stories of sincere desires to become full participating members of society. Witnesses did not appear before the committee to seek a special deal. Witnesses appeared before that committee to seek fairness. That is what we as members of Parliament have to start giving. Those people on the other side of the House need to learn a little bit about that.

Witnesses did not ask for redress for the wrongs of the past. They wanted attention to the wrongs that are happening right now. These are not the kinds of wrongs human rights commissions can address through individual complaints. These are systemic discrimination that can only be got at by being rooted out and dug out through things like the Employment Equity Act.

The problems have little or nothing to do with evidence of overt discrimination. They have everything to do with removing barriers and implementing innovative solutions.

Mr. Speaker, Reformers seem to seize on the odd statistic that this law has had some impact. They see one improvement in some indicator and declare that the war on inequality has been won: strike down the law and send home the troops. Well not so fast. The battle is not over.

Mr. Randy White (Fraser Valley West, Ref.): She is Madam Speaker. Let us have a little equity here.

Ms. Clancy: I know she is Madam Speaker. She is not going to get upset with that. We know each other very well.

This law is an effort to address problems that are still very much with us as one last fact will prove. Max Yalden, the Canadian human rights chair, recently noted that while white male Canadians make up just 45 per cent of the workforce, they account for 55 per cent of all the hirings. I think that is discriminatory.

I urge my hon. friends to put away their ideological blinders and listen, really listen to the needs of all Canadians. I reiterate my offer to help.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I am glad the hon. member had a chance to sit down to collect her thoughts because she obviously did not before she started to talk.

Would she tell us the difference, a last time, between a numerical target and a quota? Lyn McLeod, the Liberal leader in Ontario says there is no difference between a numerical target and a quota. She says there is no difference and that is why when she gets to be premier, heaven forbid, she will eliminate numerical targets. She says they are the same as quotas. That is what the Liberal leader in Ontario says.

Would the hon. member like to correct her Liberal provincial colleague or does she agree with her?

Ms. Clancy: Madam Speaker, I am delighted to deal with the hon. member's question. I have not been following the election in Ontario perhaps as closely as I should because with the greatest of respect to my colleagues from Ontario, some of whom are here in this Chamber now, Ontario is not always the centre of the universe for those of us from Atlantic Canada.

If Mrs. McLeod has indeed made these comments that is Mrs. McLeod's outlook. I suggest the hon. member for Fraser Valley East should discuss that with her.

Mr. Abbott: She is a Liberal, a provincial Liberal.

Ms. Clancy: But I am from Nova Scotia and we do not have a problem with these questions in Nova Scotia as Premier Savage could tell the member. We have employment equity on the books in Nova Scotia and it is working well.

As to the difference between quotas and numerical targets, let me do this very, very slowly so there will be no difficulty with comprehension. Let me remind them again that I used to get paid to do this for groups like theirs but the afflicted need assistance and I am happy to help.

A quota. Do we understand percentages? A whole can be turned into 100 per cent. Do we understand that? Let us say we decided we needed a quota of Reformers to be allowed to go and see a movie. Let us say there are 100 seats in the movie theatre. We will give 25 per cent of those seats or 25 seats to the Reform Party. There will be 25 Reformers there and the other 75 people will not be Reformers. That is the quota, okay?

On the other hand, consider a target. I understand why you gentlemen have difficulty with this. The concept is, to a degree, a bit more intellectual, a bit more inspirational than a hard and fast, let us cut the block out of the square.

• (1205)

The answer is to look at the whole picture and say, there are all sorts of Reformers who need the education that this movie can give. Let us look at the number of Reformers that we feel through their merit could understand what it is we are trying to teach. Rather than saying Reformers will get 25 seats, it may well be that only 18 of them will get in because only 18 of them will have the wherewithal to handle it.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I find the attitude just expressed to be absolutely the most condescending pile of brown smelly stuff. I just find it absolutely astounding.

The Acting Speaker (Mrs. Maheu): I would request that the member rephrase his comment. The time has almost expired.

Mr. Abbott: Madam Speaker, I apologize to you and to the House for my indiscretion.

However, I still find it absolutely astounding that the member has not explained the difference. Now she has added to it, if I understood her explanation, that she or the government will be the judge of who is going to be competent and capable of being able to do this. I do not understand this.

Ms. Clancy: Madam Speaker, I am awfully glad I have the opportunity to address this. There are employment equity commissions, not the government. There are employment equity officers and there is an entire set up. Read the bill.

I am sure that the hon. member for Fraser Valley East would not be caught this way because I am sure as the author of the motion he understands what the bill is doing and what, indeed, the history of employment equity in his province is.

I am somewhat shocked that my hon. colleague for Kootenay East would be this way. Again, in closing I reiterate my offer. If they would like to call my office, I would be happy to set up a seminar but I think maybe we ought to do it on a pay as you go basis.

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, some of the comments are indeed condescending. I would like to get back to some of the more practical aspects of what we are talking about in employment equity today. I would remind you, Madam Speaker, that I am dividing my time with my hon. colleague.

I would like to begin by quoting Booker T. Washington who said: "I have always been made sad when I have heard members of any race claiming rights and privileges or certain badges of distinction on the grounds simply that they were members of

this or that race, regardless of their individual worth or attainments". I suppose that says a great deal to what this debate is all about.

I have always struggled with the employment equity situation in terms of whether or not it is right or wrong or how it is applied. I think to a great degree we are trying to accomplish fairness and equality in the country regardless of race, colour, creed or religion. I am not entirely satisfied that we can legislate equality and attitudes or legislate how best to achieve the results of a fair and caring society.

We get into all kinds of issues with employment equity. I want to relate two. First, in my past life I happened to be the chief executive officer of operations for a fairly large organization, a school district of some 1,500 employees. I often wondered how we could legislate hiring equity with 1,500 employees. If we look at the area I come from, there is a very large number of Indo–Canadian people.

• (1210)

If we were to take that ratio and a ratio of male–female which is probably around 50:50, I wonder how that kind of equity would be applied to the organization I ran. Within that organization a large number of employees were female and I would suggest that they were white and of younger ages.

To turn around and apply employment equity ratios, numerical goals or quotas which are one and the same, to that organization, I do not believe would practically work. The ratio has to be applied back at the universities, in the bachelor of education courses taught at university. Then that ratio would have to be applied back at the high school level, to the graduates for acceptance into university.

Mr. Strahl: That is what they do in the states.

Mr. White (Fraser Valley West): As my colleague says, that is what they do in some states, and it does not work practically.

What has to be done when bringing people into organizations like the one I managed is to bring them in as they were on the basis of the career they chose a long time ago, based on their ability to pass courses, on their personal desire to teach young people and so on and so forth. To legislate employment equity in an organization like that would be near impossible. It just does not work.

People from all over the world reside in my community. Many businesses and companies I have visited even recently have almost exclusively been owned and operated by people from Laos, Cambodia and other countries. We could look at that and say if we want to enforce or legislate numerical goals or quotas, it could actually work in the reverse. There are some people missing out of here from the community so let us go back and change all of the ratios. That is not practical.

I do note from the community I live in that I do not see the bias we are talking about here from the Liberal ranks. I do not see the necessity of having that quota, that numerical goal. I am sure people in my community would be quite opposed to the thought that might happen.

A number of times we have heard Liberal members talk about numerical goals. They say that numerical goals in employment equity are not quotas, that they are something else. We just pick a number and say this many people have to be hired.

If we look at something like the supply management system in this country, we should say that there are no quotas in supply management, just numerical goals. I do not think the folks across the way really know what the heck they are talking about when they talk about numerical goals and quotas. They are legislating something here that the rest of Canada is going to have to live with for a long time. They are making a very grave mistake.

We only have to look as far as the official bilingualism program to see what they are trying to legislate. They tried to legislate a country into an attitude that everything shall be equal. In fact, they would hire a number of investigators to ensure that the official bilingualism policy would be fulfilled and put into place. If not, there would be penalties.

That is exactly what the Liberals are talking about here. They are talking about a large number of people within a department to make darn good and sure that employment equity is put in place. If it is not put in place, maybe they should be given a fine.

My experience is that we cannot legislate attitudes. One cannot legislate that which people will not do. What we have to do in this country is make fair and reasonable application to all people. We must have a country where all people are equal, regardless of race, colour, creed or religion. That is what has to be done and we have to have it up here. We do not legislate or mandate it.

• (1215)

I am reminded of two young fellows who came into my office not long ago holding a piece of paper. It was an application for a scholarship from a very large company in British Columbia. It had to do with scholarships for pre–apprentice electricians. What these young fellows were concerned about was that it was only available to aboriginal people, visible minorities, the special needy and women. I had to explain to them that my feeling was the company was trying to increase its employment equity. They did not understand that. They truly did not. They thought things were based on abilities, skills, work experience and so on.

Once the bill goes through and we have more employment equity rules and regulations, I am not sure how we can explain that to them. I sincerely hope the Liberal government will have an answer because the people do not understand. It is not as easy as chalking it off, as the Liberals would say, to a bunch of dumb Reformers. That is not the case. We should get off that kind of rhetoric. I think Liberals have some explaining to do as to how the legislation will really work.

There are a lot of examples in society in which governments get too far involved in what they think is right and they legislate it, which is exactly where this government is going. I often comment in the House about the arrogance of a party much resembling the arrogance of the Conservative Party when it held a large majority. I would caution the government very closely that it not get carried away with its arrogance in its legislation. It should look at the employment equity legislation and consider that all Canadians today consider themselves equal, regardless of race, colour, creed or religion. Do not try to legislate it. Put it in your hearts and in your minds.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I noted in my colleague's speech that he made the comment that it is impossible to legislate attitude. I found it rather instructive that when the Parliamentary Secretary to the Prime Minister was on her feet speaking today she made exactly the same comment: it is impossible to legislate attitude.

I cannot help but wonder why it is that the Liberals have difficulty understanding that they cannot legislate attitude when the parliamentary secretary says it and it is obviously agreed to by my colleague from Fraser Valley West. In fact, they are getting involved in social engineering to try to redress a situation by way of legislation when 80 per cent of the people in the coffee shops across Canada say they do not want any part of it.

The problem I am having is when I raised the question with members opposite, asking them to explain why the leader of the Ontario Liberal Party says that goals are the same thing as quotas, I have not yet had one explanation from the other side as to why there seems to be such a discrepancy in this never–never land that these people in Ottawa are in, bringing forward legislation that 80 per cent of Canadians do not want. They do not seem to understand.

• (1220)

I wonder if my colleague could help me understand why the Liberals in Ottawa seem to be so grossly out of touch with reality and certainly out of touch with the attitude of the majority of Canadians on this issue.

Mr. White (Fraser Valley West): Madam Speaker, this was not a loaded question at all.

I think most people who come here from all regions of the country understand that there is a certain amount of being out of touch with Canadian reality in Ottawa. I think it prevails where there is a majority government, which is less and less in touch with the people. The reason for that is that for five years those in power do not have to work as hard as the party in opposition to get things accomplished. They come into the House and say "this is what Canadians want, because they elected us, and this is what we are darned well going to give them". There is a certain amount of hypocrisy and arrogance in what we see in the legislation passing through this House.

I do not think for a moment that what these folks are trying to push off onto the rest of Canada, and which we are going to have to live with for the rest of our lives or until they are removed from office, is representative of what many people in this country are seeing. What we have here again is an attempt to legislate what people will be given not necessarily what people want.

[*Translation*]

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, I will be very brief. I listened to what the hon. member had to say and, like the rest of us, was also invited by the member for Fraser Valley East to cross the Rockies and visit the rest of the country. I must tell him that I have already done so.

I would like to return the favour and invite the Reform member to visit my fair province, Quebec. I found the hon. member's statement a little irresponsible.

[*English*]

We are speaking of employment equity. The member refers to employment equity and brings biculturalism and bilingualism into the debate.

I would like to put him on the defensive. The proof is in Quebec, where being bilingual gives more job opportunities. With the emerging economy today and with North American free trade there are now schools in Quebec offering Spanish as a third or fourth language. So how can he bring that into the debate and say that he is against bilingualism when he is for employment equity and opportunities for all people, especially the youth of today? It is ironic.

Mr. White (Fraser Valley West): Madam Speaker, the member totally misunderstood what I was talking about. The fact is I mentioned the bilingualism issue not as an issue that fits in with employment equity but as an example of how the government challenges the strength of the Canadian fabric by issuing law to its people when it gets a majority government. They have totally misunderstood what I was talking about.

The Acting Speaker (Mrs. Maheu): I am sorry but the time has more than expired.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, employment equity is discriminatory. It is also

illegal. Subsection 12(3) of the Public Service Employment Act states: "It is illegal to discriminate on the basis of race, gender and colour".

Employment equity seeks to institutionalize what we seek to avoid. We seek to avoid discrimination, but instead it brings it right into the workplace. It tells a minority group: "You cannot compete on the basis of merit. Therefore, we in the government are going to create opportunities for you to advance on the basis of your demographics and not on the basis of merit." It makes an issue of gender and it makes an issue of race and geographic location when none ought to exist. In fact when we speak to minority groups we find it is an insult to them.

• (1225)

The purpose we have in this country is to give minority groups and disadvantaged groups the opportunity to become the best they can become. This legislation tries to enable them to have a fair share of jobs, a fair share based on numbers.

We have had this discussion in the House. The government says it is in favour of numerical goals, not quotas. Quotas and numerical goals are synonymous. There is no difference. As I said before, it is discriminatory. All we need to do is look at the fine institution of the Royal Canadian Mounted Police to see that white males need not apply.

What we want to have in this country is equal opportunity. We must have a country in which everybody has an equal chance to become the best they can be, to employ the talents, the drive and the initiative they have in their hearts to do whatever they can. Canada is one of the few countries in the world that has enabled us to do that.

If someone chooses not to do this of their own will, if they choose not to take the opportunities that are provided for them, then it is not the government's role to do this through other means. That is where we have a significant departure in logic and understanding. We feel it is not the government's role to go out and push people when they do not have the initiative, push people to get skills for something they choose not to do. We are in favour of providing everyone in this country with the opportunity to get those skills.

Many people came to this country as immigrants, including myself. We came to get away from countries where preferential policies existed. The idea of preferential treatment, being treated unequally, has occurred in many countries. People have left that to come to our fair shores. In fact the idea of treating people equally on the basis of merit is something that is new and it is something we should all try to strive for.

Some view employment equity as a way of decreasing discrimination but in fact the opposite is true. Employment equity increases discrimination causes animosities, plays up differences and creates resentment.

Madam Speaker, imagine if you will if you were going to apply for a job and people said that you would not get this job on the basis of your merit, but because you are a woman or a minority group or an aboriginal person you are going to get this job. Imagine what that would say to you and your feelings about your own credibility. It is, as I said before, an insult.

I would just like to say to minority groups—and I am a mixture of many different minority groups—that we cannot legislate against people's prejudices. If people call you derogatory names, that is their problem, not yours. However, we must ensure that those prejudices do not interfere with a person's ability to get a job and function in society.

We must look at real life examples too with employment equity. Why is this government pushing employment equity when California, a state of numerous ethnic groups, ethnically heterogeneous as it can be, is throwing it out? They have found it is costly and ineffective.

We have 11 programs in this country that are sanctioned by the Treasury Board. They are called special measures initiatives. Between 1985 and 1988 they cost between $11 million and $15 million per year. In 1992 the pass rate for women was 63 per cent and visible minorities 79 per cent. This year the pass rate is 30 per cent for women and 52 per cent for minorities. It is a failure and it is costly. Why do we continue to pursue this endeavour which has proven not to work?

I have heard this government claim it is against discrimination and it is for justice and caring. Employment equity does not do this. It does the exact opposite. It also does that at the expense of what should be the primary guiding role in getting a job, and that is merit. It also does this at the expense of minority groups, as I said before, and it is insulting to them. When we speak to the rank and file of Canadians who are of minority groups in this country, they all say that they do not want employment equity. They want to be treated fairly, equally and without discrimination.

• (1230)

The leaders of minority groups often take a different role, but their role is the role of politics not necessarily the role of fairness. I would listen to the silent minority not to the verbose leaders of some groups who do not necessarily represent the people they are supposed to represent.

Let us look at the facts. As government members have said, there is no difference between minority groups and non–minority groups. We need to work toward everybody with the same qualifications being paid the same amount of money for doing the same job. These are the rules we have in the country and

these are the rules we need to strongly support. The Reform Party is vehemently in favour of these rules.

There are differences between employment statistics and the types of jobs of various minority groups. As I asked before, is this the fault of discrimination or is this the fault of differences in qualifications and societal determinants? We have laws and regulations with respect to qualifications in Canada. A qualification from another country may not be recognized in this country in the same way. That is not unfair. A doctorate or a bachelor of science or a trade from another country may not have the same merit as the same program here regardless of whether or not it involves a minority group. We ought to keep that in mind.

I would like to give an example of drive. Recently I was on an aboriginal reserve wracked with a lot of tragedies: high suicide rate, high unemployment rate and depression. However, when these people were asked to do the simplest things for themselves they continually put forth that they wanted us to do it for them. I asked them to teach their own children some of their history and culture which they were capable of doing, but they chose not to do it. They wanted somebody else to do it for them. By doing things for themselves and by taking the initiative they could build pride and self–respect, which would go a long way to decreasing the societal duress in many of these groups.

We in the Reform Party are vehemently opposed to discrimination. We believe in creating a strong, level playing field for all people regardless of their colour, race or gender. We want to create laws, have laws and enforce laws that are anti–discriminatory. Discrimination is a cancer within our midst that needs to be stepped on wherever it is found. We need to build bridges between people. We need to cherish our differences. We need to learn from each other. We are very lucky in Canada to have over 165 different ethnic groups. What a joy and a privilege for all of us to learn from other people and other cultures in a safe environment.

I am glad we are a lot like the United States. I am glad we are not like many of the other countries in the world that do not enjoy the freedoms we have. However we fight against employment equity because it flies in the face of fairness and equality. It separates people rather than bring them together.

Canada is a model at bringing people together. I ask the government to reconsider its role and views on employment equity and to reconsider the idea that it is not up to government to elevate people to a standard they are not capable of achieving or choosing to do themselves. It is the role of the government to enable people to have an equal playing field free of discrimination.

We do not live in a perfect society, but we must continue to work toward a fair and equitable society with peace and fairness for all.

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, I have a couple of comments to make after listening to the member.

I found it very ironic, if I may say so, because often we hear from the Reform Party how it compares Canada to the United States. In the member's presentation he compared us to California and the United States. Not too long ago the leader of the Reform Party visited Mr. Gingrich of the United States, at which point he said: "We don't do things the way you do in the United States". Yet all of a sudden they want to compare us to California.

I want to go beyond that point because it seems to me they want to suck and blow at the same time.

• (1235)

I refer to an article about Reform in the House that states: "Reformers cast themselves as the official opposition but they have a few flaws". I believe the flaws keep flopping back and forth.

In my private life I came from the employment industry. I would like to give a specific example of some problems that had to be overcome. A major retailer wanted to hire a computer operator. In that area there were rotating shifts, sometimes eight–hour shifts, sometimes twelve–hour shifts three days consecutively or five days a week.

The employer indicated to my firm that he was adamant he did not want to hire a female simply because there were rotating shifts. Somehow or some way we convinced the employer to hire a female. I am proud to say today, six years down the road, the female is still with the company. She has been promoted three times and is doing an excellent job. What would have happened if the placement agency decided to listen to the employer and be swayed by him that because she was a female she could not work shift work?

I am proud to say the legislation will open avenues, allowing people to go ahead, move forward and compete for jobs equally. I believe employers will hire based on merit, not just on the fact that someone is oriental, black, male or female.

I encourage the party across the way to stop posturing and being intellectually dishonest with the people of Canada. Reformers cannot have it both ways. They either compare us to the United States or they do not. They cannot keep flip–flopping.

Mr. Martin (Esquimalt—Juan de Fuca): Madam Speaker, employment equity is about hiring people on the basis of colour, gender and other demographic characteristics.

Who cares if one is female or male, black or white, brown or polka–dotted? We do not. We only want to make sure that when

people go for jobs they are treated on the basis of merit. That is all that counts in getting a job. That is all we care about other than providing and ensuring there are laws against discrimination.

Regarding what I said about the United States, California has employment equity laws. We do not want them. I point out to the hon. member that we should learn from the mistake they made in the United States. They are trying to rectify it. We should learn from their enforcement of employment equity in California that it did not work. Let us learn from them. We should show Americans that we are different from them and better than them by not partaking in it.

Our goals are the same. In some ways the goals of the government and the Reform Party with respect to the overarching theory are the same. We do not want discrimination. We are vehemently opposed to discrimination on any ground.

The flaw in the government is that employment equity engenders discrimination. By its very nature it is saying that one group of people cannot compete on the basis of merit and should be elevated over another group. That is discrimination against the other group. That is unfair. We cannot right the wrongs of historical injustice by creating discriminatory laws now. We cannot right the wrongs of the past by tipping the scales in favour or against a group.

We must create a level playing field, treat people on the basis of merit and have anti–discriminatory laws to create a country of which we can all be proud.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, the Reform Party put forward today the following motion:

> That this House deplore the government's employment equity policy as unnecessary, ineffective, costly, unpopular, intrusive, discriminatory and harmful to designated and non–designated groups; that this House recognize the equality of all Canadians by affirming that hiring and promotion be based solely on merit rather than on gender and race; and that discriminatory employment practices be more vigorously pursued on an individual case by case basis.

I come from a family farm in rural Saskatchewan. Whenever work was available it did not matter much what one's gender or colour was. My sister was involved in the work on the farm. It did not matter what task was at hand. She was able to do it as ably as anyone else on the farm. We are proud of her abilities to tackle any task at hand.

• (1240)

It is with that approach we should be looking at employment opportunities. We should be looking at the skills of the applicants rather than at the colour of their skin, their gender or some other distinguishing mark or blemish, if one would be so bold as to use that word.

It gives me pleasure today to speak on the issue of employment equity or what I would rather call preferential hiring or affirmative action, a concept that is failing around the world wherever it has been tried. The specific area I should like to address is the government's definition of equality. Equality has been loosely defined as equality of numerical representation in the workforce.

For example, if 5 per cent of our available workforce is made up of visible minorities each employer's workforce should reflect the 5 per cent. In order for the government to move toward equality of numerical representation, it must obtain an accurate statistical base showing the representation of designated groups.

However, accuracy of statistical base depends on self–identification and here we have a huge problem. The government has stressed that self–identification is the backbone of the employment equity program. There are a number of problems, however, with the self–identification process.

The Stentor group, testifying before the human rights committee, stated that employee data collected by means of the self–identification process was unreliable. Many employees are reluctant to participate in the self–identification process because often there is a loss of legitimacy in the eyes of fellow workers. Most individuals would rather have their promotions and benefits based on merit than on gender or race.

I will use an example that is very close to home. The Clerk of the House of Commons appeared before the committee on April 27 and stated that a voluntary self–identification survey was sent to 1,700 House of Commons employees. Shockingly, only 23 per cent of the employees returned the survey. Of that number less than 50 identified themselves as belonging to a designated group. From these numbers it would be next to impossible to implement an accurate employment equity plan.

It does not work. It does not work on the Hill. How will it work across the country? Yet the Liberals are committed to employment equity. They think they can legislate it. They are absolutely wrong.

Difficulties also arise in determining who should belong to the designated groups. For instance, should a person of mixed parentage be counted as a visible minority? Why? Why not? Should a third generation visible minority Canadian be thought of as disadvantaged as a new citizen from the third world? Why? Why not? These questions need to be addressed by the government.

There are also problems in defining what constitutes a disability. If I were to wear glasses I would be considered disabled. It is ridiculous. This list goes on and on. It shows how complicated and interwoven the problems surrounding the whole employment equity affirmative action programs become. Yet the Liberals in their red book are committed to this terrible policy, this impossibility.

Another concern is with regard to intrusive behaviour in the identification process to know who are the minorities. To get the statistics surveys have to be done, which means employers and employees have to comply. Yet the right of individuals to refuse

self–identification is an important privacy right. The boundaries of consent to self–identify are already being blurred.

In March 1995 the Department of National Defence issued a diversity questionnaire to all employees. The first section was compulsory, requiring personal information such as name and address. It was pretty basic stuff. The second self–identification section was voluntary. By requiring partial information the department obtained knowledge of all those who refused to self–identify. It is a serious problem. It is an invasion of a person's privacy.

They already know now who refuses to identify themselves as being in a visible minority, a group that might qualify for special assistance under any kind of equity employment program. It is intrusive. It is wrong. It is a violation of some basic rights as Canadians. Some members of designated groups can now be approached by the national defence managers and be pressured to respond or asked to agree to be identified under the authority of section 17(3) of the proposed Liberal legislation, Bill C–64, where only those employees who agree to be identified are to be counted.

• (1245)

Employers can use a variety of informal methods and pressure to persuade employees to give consent for self–identification. To make any part of a self–identification questionnaire compulsive is coercive. The use of personal information for anything other than department wide statistics should be unacceptable. Any that are made necessary by requirement are inherently wrong and are another weakness of employment equity.

The government is saying that if a person is a visible minority there is a greater likelihood that person will be disadvantaged. I do not accept that. I think that is wrong. Why should certain visible minority groups which earn some of the top incomes in the country qualify for employment action programs? It does not make sense when others who are not visible minorities are passed over.

I would like to give the House an example of how ludicrous the whole concept of employment equity, gender equity or race based equity can become. A law program at a university in the province of Ontario undertook what it called an equal opportunity approach to education. Essentially it was trying to get a certain number of visible minorities into the law profession, which is an admirable goal. However, what it did was not so admirable. On the law school application was a question whether the applicant was a visible minority. I am not too certain why being a visible minority would make someone a better candidate for law school. I do not understand why that would be the case.

That is just the tip of the iceberg. The students in the law school are segregated during exams between those who are visible minorities and those who are not visible minorities. Those individuals who are visible minorities are given eight hours to write exams, while those who are not visible minorities are given four hours. In addition, visible minorities are given special access to tutors that is not available to other students. To make matters worse, those who were not visible minorities were kept in the dark about the university's policies.

The type of approach taken by the university is doing visible minorities a disservice. Can you imagine getting a law degree from that university and it becoming common knowledge that you had twice the time to write the exam or that you were given special tutoring? I am sure the demand for those students would be half as great as for those who followed the regular course. Employment equity or equal opportunity, when it becomes based on gender, race or some other distinguishing mark of a visible minority, it is ludicrous and ridiculous.

It is insulting to visible minorities that the only reason they are in law school or they are hired is because of their skin colour, their gender or any reason other than their ability and their merit. Instead they should be given the message that they are qualified to be there, that they have skills, intellect and the determination to get the job done, whether it be to get a law degree or to get a job.

In conclusion, I would like to talk a bit about something which is important to me, results. In the last election a bunch of nonsense went around that somehow the Reform Party was male dominated and that the party was only interested in the male segment of the Canadian population. Actually the statistics do not bear that out.

It is very interesting to find out that of our candidates, the female candidates had a higher success ratio than the male candidates. We had no equity program. We did not demand that half of our candidates be female. Maybe if we had we would have had twice as many members here.

We left the choice of the selection of candidates up to the local constituencies, which looked for the best person for the job. They did not look at the colour of their skin or their gender. They looked at their ability to represent their constituents. They looked at their ability to come to this place to try to change it. We were more successful at electing women candidates than we were male candidates. A lot of Canadians do not know that because they have been given misinformation by the Liberals and by others who have a vested interest in the whole issue.

• (1250)

As employers, let us choose people based on merit. As government, let us promote a policy that will let people succeed because they deserve to, not because they are pampered on some unreasonable grounds that forms the basis for employment equity programs.

Supply

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, if ever there was a better example of government doing all the wrong things for all the right reasons in employment equity, I do not know of it. If ever there was an example of government making a bad decision worse in its attempt to make it better, I do not know of one.

Today in our universities students who take economics classes study the example of rent control, for instance, to learn how government can make a problem worse by adding what appears to be simple tools to make it better. With rent control government tried to make housing more affordable by imposing rent increase restrictions on those nasty landlords that, in government's opinion, wanted to take the shirts off the backs of their tenants. Unfortunately, as history and economics have shown again and again, it simply does not work.

Instead of rent control creating more affordable housing it creates less. By imposing rent restrictions the government takes the incentive away from developers to build new homes, thus limiting the number of homes on the market and ensuring that the under class never gets affordable housing.

Are there no benefits from rent control? Sure there are. The wealthy and the upper middle class people who have secured an apartment are guaranteed artificially low prices for their homes. Who benefits? The middle and upper classes. Who pays? Business and lower classes. It is a prime example of what happens when government creates a system to help one sector of society at the expense of another. It does not work. The market takes over and makes its own decisions that more often than not fly in the face of the good intentions of government.

I am convinced that a couple of decades from now students studying economics will no longer be examining rent control examples. They will be studying employment equity because employment equity as well as being fundamentally unjust, fundamentally unfair and fundamentally discriminatory, does not work. That is what the classes will be centred on.

Some will benefit: principally lawyers, the middle class minorities and women who are artificially moved ahead in the market by employment equity. But not the lower classes, not immigrants, not those the program is supposed to help. By placing artificial restrictions on hiring practices, by placing quotas on institutions that hire people, government limits the productivity of those organizations. Government makes them less productive and less productive organizations hire less people and fire more.

The first to be let go will always be those with the fewest skills, those who have spent the least time in the market or part time workers. Those people are disproportionately members of the very group that employment equity is supposed to benefit.

It is a classic example of government not working. It is a classic lesson for government. However this government, like its ideological cousins in the NDP, do not get it. It has been too blinded by rhetoric to understand reality and too influenced by special interests.

Employment equity is a failure. It does not do what it is intended to do. While attempting through employment equity to cure some alleged wrongs of the past, as a society we have sold our souls. We have made a pact with the devil. We have abandoned the principles of fairness, justice and equality.

Liberals used to love George Orwell's *Animal Farm*. They would cite the slogan: "All are created equal but some are more equal than others" with a bit of glee, thinking this was a criticism of the politics of the so–called establishment and that they were above such satire. Well, no more. Employment equity is the embodiment of the slogan: "All are equal but some are more equal than others".

That slogan does not make sense of course. It is illogical and so is employment equity. However it does not stop special interests from demanding more employment equity. I say special interests because there is no question that special interests are at work in the debate. When there is no empirical evidence of a white male cabal actively discriminating against more than half of the population and when the majority of Canadians oppose employment equity, what can we conclude except that special interests once again have the ear of the party across the way? Only special interests could force the promotion of a policy that is so illogical and so unfair.

• (1255)

The Minister of Citizenship and Immigration is fond of citing statistics, with which we agree, saying that immigrants to Canada outperform native born Canadians in the workforce. The minister attempts to take credit for the fact that immigrants tend to be very hard working and self–reliant.

At the same time employment equity in the public service discriminates against men and white Canadians and discriminates in favour of minorities, many of whom are immigrants. Even though immigrants are outperforming native born Canadians, native born Canadians are punished by employment equity because immigrants are presumed to be disadvantaged.

No other bit of data shows the absolute folly of employment equity like the data on performance of immigrants. Look at the performance in the economy of recently arrived immigrants from Asia. These immigrants are new to the country. They often face difficulties with language. They are typecast as ethnic minorities. Yet they do better than the white males that are alleged to be discriminating against them and thereby are allowed to receive an undue and unfair benefit from employ-

ment equity programs. Does this make sense? Is this justifiable by anyone with a grain of common sense? Of course not.

Special interests are tickled about the state of affairs because special interests do not care about justice. They do not care about facts. They do not care about the national interest. They care only about their interests and they have the ear of the government.

The Reform Party has faced labelling. It has had to shield itself against rhetorical attacks unlike any ever faced by a major political party in Canada. Among those attacks have been the cry of racism, despite the fact that the Reform Party is the only party that has on its books a totally colour blind immigration policy.

We want Canada to accept immigrants on the basis of their ability to contribute to Canada and fill needs in the workforce. Imagine what would happen if the Reform Party changed that colour blind immigration policy. Imagine if ethnic fairness was our goal. Here is what would happen. The majority of immigrants coming to Canada are typecast as visible minorities. Using the logic of fans of employment equity that could only mean that there is a systematic institutional discrimination against non–visible minorities in the immigration system.

Again using the illogic of the employment equity program it would be fair, proper and just to establish quotas for immigration to Canada of more white Europeans. Imagine the backlash that would occur if that program were instituted, despite the fact that this hypothetical scenario would be based entirely on the exact same logic that the proponents of employment equity use.

Discrimination occurs in many quarters. It occurs against young men who have good grades but still cannot get into university or get a scholarship. It occurs in increased ethnic and racial awareness as government forces everyone to declare themselves a member of a racial group instead of just being Canadian. It occurs when there is job loss due to ridiculous demands placed on industries that do business with the government. It occurs as the stigma attached to minorities and women who are called "EE hires". The list goes on.

I urge the members of the House to think carefully. Do not toe the party line. Use your heads and think about the effect of this misguided policy. Think about the human costs. Think about the non–existent benefits. Then support our motion. Restore fairness, and stop discrimination of all kinds.

• (1300)

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Madam Speaker, I take this opportunity to speak to the Reform Party's motion which I believe to be predicated on a lot of misinformation, half truths and generally misdirected with a great deal of pomposity. Some rather unfortunate ethnocentric views are being perpetrated on the basis of what is a very logical piece of legislation with very reasonable goals being set by the government to deal with overwhelming inequities that already exist.

I welcome this opportunity to clear up the confusion surrounding Bill C–64 created by some ill informed members of the opposition. I am anxious to explain how this made in Canada legislation will respond to the country's unique workplace needs to ensure fairness for all Canadians.

I have been told repeatedly by Canadians that communications and education are essential to the success of employment equity. It is within this context that I frame my comments today. I believe it is critical for Canadians to understand what Bill C–64 will and will not do. They should be fully aware that Canada is charting its own course with this progressive piece of legislation.

The suggestion has been made by some members of the Reform Party that the United States experience with affirmative action proves workplace equality is unworkable. It is not fair to compare apples with oranges. This is Canada and that is the United States.

In outlining the many merits of Canada's approach to employment equity I intend to demonstrate how, despite misleading comments to the contrary, in Canada we got the legislation right. Let me outline the key differences between the American's affirmative action approach and Canada's employment equity legislation.

With all due respect for our neighbours, the U.S. approach is characterized by a confusing and sometimes contradictory multitude of federal, state and municipal laws, policies and programs.

We also have to understand there is a great deal of competition for jobs. The pressure is great with two million jobs being lost annually in the U.S. As an example of how this pressure is generated in the U.S., look at the global picture and see where the pressure points are.

An article in the *Utne Reader*, the May–June 1995 issue, states: "In the 1950s, 33 per cent of U.S. workers were employed in manufacturing. Today less than 17 per cent of the workforce is engaged in blue collar work. Management consultant Peter Drucker estimates that employment in manufacturing is going to continue dropping to less than 12 per cent of the workforce in the next decade. Although the number of blue collar workers continues to decline, manufacturing productivity is soaring".

Another factor to consider is that changes have also been dramatic in the wholesale and retail sectors. There are pressures there and competitions for jobs. There are a lot of pressures on businesses, on government and on individuals. For instance, typical of the trend of retail giant Sears Roebuck, Sears eliminated a staggering 50,000 jobs from its merchandising division in 1993, reducing employment by 14 per cent.

Intelligent machines is also another issue invading professional disciplines, encroaching on education and the arts, long considered immune to the pressure of mechanization. A robot that will perform hip replacement surgery is being developed in California. Some firms now use computerized hiring systems to screen job applications. Not only are we competing with other humans, we are competing with robotics, new technologies and the mechanization of the workplace.

What do we do? Do we outlaw new and intelligent machines that will help to improve the economy and provide efficiency and effectiveness? With all of our discontent and malcontent we could devise laws and legislation that would discriminate against those and eliminate them, as is being suggested here.

• (1305)

Another interesting factor to consider because of the pressures being generated is that from 1983 to 1993 banks eliminated in the States 179,000 human tellers, 30 per cent of its workforce with automated teller machines.

This is a whole phenomenon far too complicated. I do not believe one can win the argument as the members of the opposition are proposing by taking a single, narrow example of how a university sets up a program or a course and use that to build a case against employment equity. That is very narrow and unjustified. It does not have much validity.

This profusion of legislation we talk about in the States gives rights, protections and remedies to different groups. Understandably this has created problems. Critics point to abuses and growing disenchantment with quotas in the U.S. which have led federal legislators to re–examine affirmative action.

By contrast, Canada has a streamlined legislative framework. Bill C–64 creates a single approach to employment equity at the federal level with clear responsibilities and duties assigned to employers and government agencies. With a few exceptions the approach to employment equity and the groups covered are essentially the same in most jurisdictions with mandatory employment equity in Canada.

Another crucial distinction is the role of the courts. Employment equity in Canada is proactive in nature. The legislation focuses on negotiated solutions arrived at through co–operative employer–employee relations. It does not require prior presumption of discrimination.

Consequently the Employment Equity Act creates an efficient and cost effective framework that minimizes the role of courts. We have a federal contractors program which a lot of regulated businesses participate in. It has become a state of mind. It is good business for those people to have women, visible minorities and disabled people working for them.

I have attended ceremonies at which we award federal contractors' awards. I have done that over the year and it has been very much applauded by the participants. They set an example many federally regulated businesses want to participate in. That includes universities as well as a variety of different private sector businesses.

The affirmative action program south of the border is rooted in executive order and civil rights law. Its objective is to eliminate discrimination against any employee or applicant for employment because of race, colour, religion, sex or national origin. The U.S. approach is characterized by court ordered quotas, preferential treatment to minority owned companies for government contracts and tax incentives to encourage ownership by minority populations.

The American system is also adversarial and litigious, doing little to advance harmony at the work site. It is frequently criticized as a slow and expensive way of achieving equality in the workforce.

Under the Canadian approach to employment equity, employers set their own numerical targets, often reached through consultation with workers and their unions. Bill C–64 specifically prohibits the use of quotas and there are certainly no provisions for preferential treatment to minority owned companies.

It is also good news that the Reform Party elected quite a few women. It might not have been a bad idea to have elected more there. That is an aside and I am sure the Reform member across the way will agree with that.

Merit is still paramount. A vicious rumour is being perpetrated that meritorious applicants, meritorious individuals meritorious successful candidates under employment equity are being maligned as not capable, as having been selected because they are disabled, women or of a visible minority. That is not so. This legislation has merit as its foundation. That remains paramount.

• (1310)

The intent of the Employment Equity Act is not to provide preferential treatment; it is designed to ensure equal treatment of all qualified work ready Canadians regardless of race, physical attributes or gender. It is about removing not erecting barriers to employment. It is about creating equity not inequality and not preferential treatment. It is about improving a system so downtrodden with inequity.

If the Reform Party is willing to do the research it will know the employment figures year after year have on the bottom of the list the disabled, women, aboriginal people and visible minorities. The Reform Party can find a few examples where that is not the case but the government does not build good policy and good legislation on a few examples. The exception is not the rule. That is not the way good policy is developed. That is not the way democracy works best.

It is about removing inequities not erecting barriers to employment. Canada is very fortunate that its legal meaning of equality is unlike that of the U.S. Ours is based on a constitutional guarantee of equality far broader than the U.S. equivalent. In Canada every individual has the right to equality before and under the law and equal protection and benefit of the law. The Canadian Charter of Rights and Freedoms in section 15(2) recognizes special consideration and the accommodation of differences is sometimes necessary in achieving true equality.

Special treatment is not a departure from equality, it is essential in achieving it. Employment equity has come about because of the overwhelming inequities in the labour market, in all fields of employment. That is what it is based on.

It is unique to Canada. The U.S. constitution has no similar provision. In the United States there is a constitutional right to equal protection of the law only. Historically it has been interpreted by U.S. courts to require identical treatment, thus the development of colour blind and sex blind laws.

Members of Parliament who have participated in committees have learned by that valuable process. I have learned through the constitutional process that same treatment does not necessarily express equality. That is a simplistic view and a view which should have gone out with the dark ages. We are into futuristic and very straightforward issues and views about equality which apply to all Canadians.

Canada's approach to equality is progressive and far sighted. Equality means recognizing differences not just identical treatment. This has led to a greater partnership among groups pursuing fair access to employment opportunities and has resulted in far greater success. The wisdom of the Canadian strategy is proven in our progress. The record shows that while Canadians still have some concentrations of under–representation, advances have been significant under the existing Employment Equity Act and will only increase with the improvements provided in Bill C–64.

That speaks volumes about the Canadian approach. We are not interested in overloading the courts with employment equity challenges. We are looking for equal employment opportunities for Canadian women, aboriginal peoples, visible minorities and persons with disabilities.

• (1315)

We want to ensure fairness for all Canadians by assuring everyone has equal access to a job because we all know Canadians will benefit when we do. The best long term investment we can make as a country is in the creation of a more productive economy that fully capitalizes on the wealth of knowledge and skills of all members of society.

I can assure members of this House and reassure all Canadians that this government has no intention of repealing or weakening its employment equity legislation. We will continue to work diligently in the proud tradition of this great nation to assure the dignity of each and every member of our communities and our country. Canadians expect no less. With this in mind, I urge all members of this House to vote against the Reform Party's motion.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, as I listened to this member I kept reflecting back on the reason the Reform Party came into the House and why we were elected as a new party with 52 members to represent the people in our ridings across the west.

One of the reasons was the existence of so much top down government with the message that it would tell people in the ridings across the country what government thought was best for them. That has been the attitude of government in the past and that is the attitude of the present Liberal government.

I know the majority of people in my riding do not want employment equity. They feel it is intrusive, abusive, discriminatory and certainly that it reflects the negative side of government in the past.

Since the member is speaking on behalf of many of her constituents, how many of her constituents did she poll on this particular matter? How much is the program going to cost the taxpayer? Did she tell that to her constituents?

Another question came up when I was reviewing some of the act. A section deals with organizations or departments that employ 100 people or more. The employment equity aspect does not involve those below 100 employees. Why would it not include everyone in this whole picture? If this Employment Equity Act is so important, why is everyone not included in it?

Those are the reasons many of us on the Reform side are going to vote against any possible amendments that come up on C–64.

Ms. Blondin–Andrew: Madam Speaker, through the political process, I have gone through a metamorphosis from a neophyte to a second term member of Parliament now. More than that, I am a human being who literally sits with my constituents. In the north we have very small confines. I live with my constituents. I cannot disappear into a city as one might in cities like Ottawa and Calgary. I live with my constituents.

We did have a poll and it was a great poll. It was won poll by poll. I did have a poll and I have the utmost confidence. I won my election in a landslide in 1988. When I won my election employment equity was part of the red book. In 1993 I won every single poll in my riding, advanced polls, special polls, every poll. Those are the polls that count.

I do not believe we can have a 1–900 democracy or 1–900 governments. That is not the way to run this country. That is being a chicken because they cannot face up to it and make the decisions people elected them to make. They elected me to make the tough decisions. I am here and I will make them with this government.

• (1320)

If the people are afraid in that city, I do believe the member has made it intrusive. He has talked about this legislation as intrusive, as abusive and as discriminatory as Reformers have done with almost every other piece of legislation that has come forward that people have supported.

If the people of Canada did not like employment equity they would not have voted for us. They read about it in the red book in 1993 and we were elected with a full majority. It was clear and it gets clearer by the day what we intend to do.

We are making the federal contractors program and this employment equity legislation as broad, as fair and as all inclusive as possible. It is not intrusive, discriminatory or abusive. It is anything but that. It will be inclusive. It will create for once in the 125 year history of this country the kind of equity that is needed so that all members in this House can participate, all members of this country can participate. For God's sake, even Reform Party members can participate. That is how inclusive it is.

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, I listened closely to the minister's eloquent remarks about equity and fairness, even in her response a few minutes ago about allowing all members to be treated equally in this House.

New Democrats govern 52 per cent of the population provincially right now in Canada. We treat everyone equally, as fairly as we possibly can and much fairer than other governments of the Liberal stripe provincially.

Given her years of talk about employment equity and given her comments and concerns respecting equality and fairness, would the minister support treating members of the New Democratic Party caucus in this House with equity and fairness as we have treated the Liberals in Saskatchewan's legislature? Would she do this by giving them at least a role in question period, full membership on committees, a front row seat for our leader and those sorts of courtesies which do not cost anyone any money but do provide a sense of equality and fairness in this House of Commons?

As the minister knows precedents have been set in previous legislatures that show very clearly that New Democrats have exercised fairness and equality. We just do not talk about it. All I have heard so far from the government is talk about equality and fairness. Where does the minister stand in providing a fair and equitable role for the New Democrats in the House of Commons?

Ms. Blondin–Andrew: Madam Speaker, it is most unfortunate. I expect much more from the New Democratic Party members in dealing with this very important piece of legislation than to piggyback their own personal political party agendas on this really important piece of legislation. I am amazed that the hon. member would not only mix in his own personal political party agenda but also would drag in the whole issue of the provinces and the particular arrangements they have.

I expect support from the New Democrats. After all the years of singing the praises of employment equity, I expect the member to support us on this bill. That is what New Democrats say they believe. He should lay aside his own personal agenda and negotiate that in the procedures that are available to him through the Speaker's chambers.

[*Translation*]

The Acting Speaker (Mrs. Maheu): I must interrupt you, as your time is up.

Before giving the floor to the next person, I would like to inform the House that Mrs. Gagnon, the member for Québec, has given her time slot to the Secretary of State for Multiculturalism and the Status of Women.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Madam Speaker, first off, I would like to thank my colleague for Québec for the courtesy. I am convinced that she is a supporter of employment equity.

The motion introduced today by our colleague for Fraser Valley East once again shows the Reform Party's intention to eliminate employment parity and to backtrack regarding Canada's achievements in the area of equality of rights over almost 40 years.

• (1325)

We know that in 1986, the former government passed the current law on employment equity. I congratulate it for this accomplishment. But it was the Liberal government preceding that government which established the principles and set down the cornerstones of employment equity.

In 1986, these principles were even entrenched in the Canadian Charter of Rights and Freedoms, which provides for the creation of laws, programs and activities to improve the situation of disadvantaged people. We built a framework of principles reflecting our vision of society and its future and established values for our society.

This is most of all evident in section 15 of the charter, which discusses non–discrimination regarding employment. The charter also covers the issue of the equality of women in sections 25, 26 and 27, and the issue of multiculturalism in section 28.

I must say that Canadian values are very well expressed in our Charter of Rights and Freedoms and that section 15 covers all rights and gives us the potential to promote those who are disadvantaged in our society.

[*English*]

Madam Speaker, I would like to thank you for the opportunity to make the business case. There is not only the fairness and equality case which is first and foremost as a Canadian value, but there is also the business case for employment equity.

As much as it is statistically justifiable, socially desirable and morally the right thing to do, it is also a fundamental necessity in today's business world. Even a cursory examination of current market conditions makes it abundantly clear that Canadian companies must fully capitalize on this country's greatest resource, its rich and diverse workforce, if they are to remain competitive in an increasingly global economy.

Hon. members of this House need not take it from me nor from this side of the House. Perhaps Reform members and their supporters might take a lesson from the people they admire so much, the independent business people and the large corporations. Take a lesson from what they have to say about the importance of diversity and gender equity to their business and their business values and to ours as well.

Throughout my remarks I will highlight comments of some of this country's most progressive business leaders, people who have found out for themselves that employment equity is not just a matter of common sense but also one of dollars and cents. Private sector firms including Canadian National, Canadian Occidental Petroleum, Bank of Montreal, Hydro Québec, et cetera, see equity as an asset and have seized it as a tool for improving their companies' performances. They have discovered diversity is a value added. We all know how important value added is in the competitive global economy we have to face.

Let me quote just one proponent of employment equity, Bernard Isautier, chief executive officer of Canadian Oxy:

> In the global village we must learn to respect, appreciate, understand and value differences, in terms of race, ethnic groups, gender, culture and language. Diversity is a source of competitive advantage. If a company is to be successful in today's business environment, it must develop policies and practices in step with an increasingly diverse workforce.

I would like to briefly outline some of the key business considerations in the employment equity question which includes the fundamental principle of merit. Of course we are going to hire someone based on equivalent capacity and ability to deliver the job and do the task. We may have to train some people but there is certainly a merit principle as well as the ethnocultural reality of Canada's people and the equality of men and women.

• (1330)

Let us look at this. There is the matter of the changing face of the marketplace. People reporting ethnic origins other than Canadian, British or French now account for 40 per cent of the country's population. That number is expected to climb to 50 per cent within the decade. With these people come new markets and demands for new products or services which Canadian companies are finding profitable to satisfy. It is no longer just white rice and white bread, it is the whole range of wheat, grains and cereals that we can enjoy.

Petro–Canada, as one example, saw a 15 per cent improvement in gasoline sales in Vancouver when it started offering services in Mandarin as well as English, as did the Bank of Montreal in the delivery of its services.

Not only are there burgeoning business opportunities at home, but global trade is opening doors to markets with the potential for unprecedented growth abroad. International business, I would remind everyone in the House, is multicultural, multilingual and multiracial. Canada is a global village. That is who we are.

We are reflective of the four corners of the world. Those four corners have been here for a long time. The people are competent and capable and have the potential to meet the challenges of the new global economy. Opportunity knocks and Canada's diverse people are a natural competitive advantage. They may be seen now as a hidden advantage, but let us bring that out into the light and look at it in the clear light of fiscal reality. We cannot afford to exclude anyone nor should we wish to.

The Conference Board of Canada, with the assistance of the multicultural programs which I manage, recently released an 18–month study called "Dimensions of Diversity in Canadian Business" which documented the financial gains to be had from using our diverse workforce to access untapped markets both within Canada and around the world. The study's author, Christine Taylor, noted that the single most significant barrier to change is the belief that diversity is not a business issue.

If there is still any doubt among my colleagues they will be interested to learn that the report from the Conference Board of Canada notes that the gross domestic product rates in Latin America, China and the Pacific rim range from 6 per cent to 12 per cent annually. The purchasing power in these countries is enormous and holds tremendous potential for Canadian business. Let us not forget the business task force which the Prime Minister led to these parts of the world. These fast developing regions require vast investments in infrastructure, in public systems and capital. It takes special people to make such transactions happen.

More and more employers are finding that ethnocultural diversity, including visible minorities, with insider knowledge and contacts within those countries are instrumental in penetrating these new lucrative markets. These people are not being hired because of legislative requirements or simply out of a

sense of duty or altruism. Progressive businesses are choosing these qualified employees for the value they add to the company.

Unfortunately too many Canadians do not know about our secret power, the hidden asset of Canada. It is about time they did. If enough Canadian companies recognized this new reality there would not be any people looking for jobs. Too many are still bound by the straitjacket of stereotypes. That is why we need employment equity. It will bring better equality and justice and it will also meet the business needs of the community.

I hope Reform members are listening so they might decide to have an open mind. Never mind doing their polling, maybe they should think and talk to their constituents.

• (1335)

If critics are truly concerned about the welfare of corporate Canada, surely they cannot be opposed to employment equity measures that will enhance their ability to compete. As the conference board study notes: "Competing to win in the global economy requires an ability to attract, retain, motivate and develop high potential employees of both genders from a variety of cultural and ethnic backgrounds".

Having an employment equity plan in place eliminates the barriers that may prevent employers from harnessing the full potential of the workforce. I have had the pleasure of working on the Conference Board of Canada study with Prem Benymadhu, a really incredible gentleman who is the vice–president of human resources research. He said that much more than being a nice thing to do it really is essential for Canada. It would be a mistake, however, to assume that increased access to domestic and international markets is the only business advantage of employment equity.

Companies are learning that recruiting, promoting and retaining people who are representative of the Canadian population helps them provide better and more responsive client service. When we walk into a store and see ourselves reflected on the screen as part of the picture, when we see ourselves in the ads, whether we are brown, yellow, white or whatever our skin shade is, we feel that we are included, not excluded, and have a sense of belonging. We feel welcome and know we have our place within the peoples of Canada.

Companies report that there is an increase in market share of 38 per cent when they have changed their advertising and direction. By the way, I refer members to the Advertising Council of Canada study which indicated a tremendous increase in sales and customers when this principle and concept is applied.

The conference board survey showed one–half of the respondents discovered it was necessary to tailor their customer service practices to meet the needs of an increasingly diverse customer base. Responding to those changing needs is apparently very profitable. There was a very interesting explanation given to us by the Bank of Montreal on how it targeted its various bank branches to the population it was serving.

Therefore, it is apparently very profitable. The majority of companies reported an increase in market share. Seventy–eight per cent showed significant increases in customer feedback and 38 per cent indicated that their revenues had increased. I am sure everyone would love to give a business report like that.

Employment equity proves to be equally beneficial inside organizations too. Among the many advantages are improved workplace morale, higher retention rates and greater productivity. In fact, many managers find that women's work style, which focuses on team work, collaboration and open communications and mutual support, is especially well suited to the communication demands of the workplace in the information age.

Enlightened employers recognize that employment equity gives them improved access to a much larger pool of well informed and qualified personnel, which raises some very pragmatic issues around the whole question of an aging workforce.

Despite current unemployment conditions, demographic projections make it clear that Canada will soon be searching for qualified workers. Within a decade we will start to experience a severe skills shortage because of retiring baby boomers. That will also present other issues with respect to the aging of our population. They are all important social policy and program issues.

Given these population trends, given the decreasing birth rate within Canada, all but one–third of the new entrants to the workforce by the year 2000 will be members of the Employment Equity Act designated groups: women, visible minorities, aboriginal peoples and persons with disabilities. I would suggest that be carefully considered when members are looking at public policy. Maybe when they come out with their revision to what could be a good red book, they would find why and when.

• (1340)

Our country will need every one of these people and the time to prepare for the transition is now. As the report prepared by the Royal Bank of Canada stated, with a labour shortage predicted in the future and a more diverse population, it is very important to get off the mark quickly before the labour crunch hits.

That is why the vast majority of employers, such as the Canadian Bankers Association, the Canadian Association of Broadcasters, the Canadian Chamber of Commerce, federally regulated employers in the transportation and communication industries and other stakeholders affected by Bill C–64, the

employment equity legislation, which as members know the committee has finished reviewing, recognize the need for legislation in employment equity.

It makes good business sense. If one looks at the whole issue employment equity it is designated to promote the optimal use of our rich human resources. Although we have contract compliance, good business practice would not need and does not need it because it is something that you would want to do to improve your access to the market, to invite people into your stores, to place before them merchandise that they like, that they want and that they will buy.

The questions we are looking at and the bill concerning employment equity are intended to act as a stimulus to our national economy while correcting the injustice of discriminatory hiring and promotion practices.

When practicality for business companies is coupled with dignity for individuals everyone wins. I remind the House that for all the business benefits of employment equity—they are obvious and I have enunciated a number of them—it is in the interest of fairness and equality, in the interest of the value system that we have put before the Canadian people. It is a system that is inclusive and not exclusive, that is neither abusive nor unfair. It is one that looks at all people in Canada and says: "You are welcome. There is a place for you with your skills, with your knowledge, with your competence and with your abilities". It is not smart business to be exclusive.

I remember studying section 15 of the Canadian Constitution. It was delayed three years after the acceptance of the charter of rights and freedoms. That study took a year out of our lives. We examined section 15, the non–discriminatory section, and suggested the changes that were to come before the House in terms of formal laws as different from policies.

Employment equity was one. It had to do as well with the whole question of where the federal government had jurisdiction so that we could have contract compliance. Many of the provinces do the same thing.

Anyone who thinks that it discriminates against what is called the traditional Canadian had better look out there and see who is the Canadian. It is all of us in all of our beauty and in all of our differences.

[*Translation*]

We planted the roots of the employment equity policy 20 years ago. Since then, the successive governments have made an effort to promote it. It would seem that the only people who question the employment equity policy are our Reform colleagues.

I recommend that all members of the House vote against the motion and that they support and speak out regarding the importance of including every single person in this country, in all of our society's employment policies and to show what it means to be Canadian.

[*English*]

Diversity is the beauty of this country. This is a global village. We are reflective of the four corners of the world. If members come into the constituency of almost anyone who lives in an urban, semi–urban or metropolitan area they will note those differences. They will note the diversity and will recognize the importance of being inclusive of the ethnocultural and visible diversity as well as gender equity.

• (1345)

I urge all my colleagues to endorse the necessary amendment so that we can get on with the business of building a better Canada, an inclusive Canada, one that looks like all of us in this House.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I would argue with the hon. member who just finished speaking that a diverse workforce I agree is good for business. A workforce where one hires the best person one can hire is good business.

I certainly do not need a lecture about diversity in the workforce. As I mentioned earlier today, in British Columbia we understand and appreciate the contributions of people of all different ethnic backgrounds. If one does not and they are a business person they will soon be out of business in the lower mainland. My goodness, we are very cosmopolitan out there and very proud of it.

The problem of course is not that we do not appreciate diversity. The thing is we do not appreciate employment equity legislation. By the turn of the century, as the member mentioned, 85 per cent of job applicants will be from the so–called designated groups. Eighty–five per cent will be coming from those four groups. By all means, any business that refuses to hire from this 85 per cent, which is going to form part of the new economy in the next decade, is not going to get necessarily the best people for the jobs. That will mean their business will be less competitive. If they are systemically discriminatory I hope they go out of business because they should obviously be hiring people based on their merit not their ethnicity.

If we have a situation, for example, in Toronto where statistically—this is just statistically, because there are always variations—people of Portuguese background have a lower standard of living, fewer employment opportunities and even a lower graduation rate from high school, which is a fact in Toronto from the Toronto school board, do you design government programs based on need? In this case they are not a visible minority and do not qualify under the employment equity program—

Mrs. Finestone: You do not even know what it means, employment equity.

Mr. Strahl: Do you design programs based on need or on ethnicity?

From our point of view, we say people should be helped out based on need as individuals. There are some visible minorities, for example, in our program who would receive much help. There are others who would receive no help. It should be based on demonstrated need.

According to StatsCan, Japanese Canadians by ethnicity have the highest per capita income in Canada. Do you design programs to help someone from that background or do you design them based on need? We said government assistance programs should be designed based on need regardless of ethnicity, background or gender. We should not have programs and quotas.

I know the member does not like to admit it, but it was interesting during the leaders debate here in Ontario that Lyn McLeod, the Liberal leader for Ontario, mentioned that numerical targets are just quotas. That is why she is going to do away with numerical targets if a Liberal government is elected in Ontario. In that case she agrees with the Reform Party and most Canadians who say that numerical targets are not to be appreciated and will be eliminated under a Liberal government in Ontario.

The federal Liberals happen to agree with the provincial NDP on this one. The philosophical trend is interesting.

In any event, does one design government programs based on need or based on ethnicity?

• (1350)

Mrs. Finestone: Madam Speaker, I just wish the members opposite would stop and think about what they are saying. First, everyone who has chosen to come to Canada to become a citizen or who is a landed immigrant is a Canadian. One does not hyphenate a Portugese Canadian versus a Japanese Canadian. That is totally antithetical to the Canadian point of view.

Second, the reason for the targets, the goals, no matter what we want to call it, is because we have seen there has been uneven hiring, a systemic racism out there in terms of hiring practices. There needed to be some kind of mechanism to enable people to understand that after decades and decades of anti–discrimination laws nothing was moving. We certainly needed to have some form of mechanism so that those who were perpetually outside of the job stream could be included. It was not because they were low income versus high income. There are people who are low income who can end up being very high income earners. So do not give me that business. All one needs is an opportunity in life. If one is not given an opportunity to be hired because of the colour of one's skin then there is a reason why one is not getting a chance.

This kind of program and policy is to ensure that every Canadian, regardless of colour, creed, race, religion, language, sex or handicap, gets an opportunity.

Some hon. members: Hear, hear.

Mrs. Finestone: Madam Speaker, I would say that all along the issue has been structural unemployment, systemic discrimination, the vital need for changes to the way one uses our unemployment insurance and the way programs are put into place, which have demonstrated that all people have not had the same kinds of opportunity. The world has changed dramatically. We need new jobs and new kinds of skills.

It may be the children of the very wealthy who may not get the jobs or the PhD who cannot find the opportunity, although the one who has the PhD has a much better chance of getting a job than those who are under–educated.

We have a target population because the system does not work without it. If the member finds that antithetical to his views that is just fine. The people of my riding and the people we represent realize we need a public policy to give people a helping hand. It is not gratuitous. It is good, constructive public policy.

Mr. Jay Hill (Prince George—Peace River, Ref.): Madam Speaker, I find the hon. member's comments very enlightening of the Liberals' position. It reminds me of what took place in British Columbia just before and during the Charlottetown accord. At that time the NDP government in British Columbia decided in its wisdom to promote the idea of Senate reform based on gender equality. It decided that if we were going to reform the Senate and make it elected, it would legislate an equal number of men and women senators. However it very quickly found out the people of British Columbia did not support that type of action.

Interestingly enough, one of the sitting women senators was the most outspoken against that. She found it personally demeaning that a government would consider legislating—

Ms. Clancy: Name her.

Mr. Hill (Prince George—Peace River): If you must know, it was Senator Pat Carney. She said she could get elected to the Senate of Canada on her own merits not because some government took it upon itself to legislate equality.

• (1355)

Ms. Clancy: Madam Speaker, I rise on a point of order. I would like to make the point to the hon. member opposite that the Senate in this country is appointed not elected.

Mr. Hill (Prince George—Peace River): I am well aware the Senate in this country is appointed because this government continues to fill the other place with its appointments. We are very well aware it is appointed.

The senator was trying to say that if the Charlottetown accord had gone ahead with a provision for an elected Senate, that she would have ran at that time and felt she had a good opportunity to be elected. However, it would not have been because she was a woman but because she was good at her job and would have run on that basis.

I ask the hon. minister to actually cite some statistics and some examples of where the people of Canada support this type of reverse discrimination.

Mrs. Finestone: I suggest you read the standing committee report. You will find—

The Speaker: Order. The hon. secretary must always address the Chair. I get lonesome sometimes.

Mrs. Finestone: Mr. Speaker, I want to remind my hon. colleague that of those who appeared before the standing committee, 90 per cent supported employment equity.

I would also like to bring to the attention of the hon. member that Senator Pat Carney is a very staunch supporter of qualified women. At no time would anyone on this side or anyone who believes in fairness and equity suggest that factors other than quality and merit be taken into consideration. I would like to tell the hon. member that there are as many, if not more, competent, qualified women as there are men.

Last but not least, if someone has reasonable job qualifications, competence and equivalency, there is no discrimination in the ultimate selection. In short, with numerical goals a key ingredient of employment equity legislation is aimed at fighting rather than facilitating unjust discrimination and lack of representation.

Women make up 52 per cent of the population. I guarantee we can find competence among that—

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*English*]

INFRASTRUCTURE

Ms. Mary Clancy (Halifax, Lib.): Mr. Speaker, as a member from Nova Scotia I rise today to congratulate the Nova Scotia government for demonstrating vision and leadership with its solution for the redevelopment of Route 104.

In these times the Nova Scotia solution to highway 104 offers the safest redevelopment possible and safety is the most important issue here.

The $29 million federal–provincial investment will kickstart a $110 million private and public partnering project that will create over 800 jobs and ensure that this dangerous stretch of highway is developed in only two years, contrasting sharply with the public sector only alternative which would see redevelopment over seven to ten years.

The safety of Nova Scotians cannot be put on hold for 10 years. It is irresponsible to even suggest it can be. However, this is exactly what the western based Reform Party is calling for and so are the Tories, Brian Mulroney's friends in the other place. It is a shame these out of touch parties are willing to play old style politics with the safety of those travelling the Nova Scotia highway system. Nova Scotians want immediate action. They deserve nothing less.

The province should be congratulated on its innovative solution, which offers the quickest, safest and most cost effective redevelopment possible.

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[*Translation*]

ACCESS AWARENESS

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, I would like to point out that it is National Access Awareness Week.

One of the things that this event permits us to do is to take stock of the headway made over the past few years in the area of accessibility for handicapped persons. In fact, fortunately, our society has recently taken strides towards the social and professional integration of handicapped persons. There remain, however, many more physical obstacles and wide–spread prejudices to overcome.

We must go beyond merely examining our consciences and actually ensure that concrete measures will be taken to permit these people to take their rightful places in our community, especially at this time when the federal government has committed itself to reviewing the Employment Equity Act.

* * *

[*English*]

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the legislative measures proposed in Bill C–68 imply that gun owners are a risk to both themselves and to others and thereby a threat to public safety.

The Minister of Justice is unable or unwilling to provide empirical evidence to prove that gun owners present a greater risk to themselves, to the people they live with or to their neighbours.

The Library of Parliament has been in contact with the Canadian Life and Health Insurance Association and the Insur-

ance Bureau of Canada and has learned that insurance companies do not ask their applicants if they own a gun because they are not an identifiable risk group.

If gun ownership represented any risk or liability, insurance companies would charge gun owners a higher premium for life, health, disability, liability and property insurance. They do not.

How can the justice minister say gun owners are an identifiable risk when insurance companies disagree? Unlike the minister who makes his arguments based solely on emotion, insurance companies make their decisions based on empirical evidence because they make their living assessing real risk.

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YORK REGION SENIOR GAMES

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, yesterday I was pleased to attend the opening ceremonies of the York Region Senior Games being held in Whitchurch—Stouffville, the federal riding I have the privilege to represent.

The games are held annually in the York region and provide senior citizens with an opportunity to participate in numerous sporting events. From badminton and bowling to golf, tennis, swimming and even triathlon, seniors from across the region engage in extremely competitive matches. The winners of events at the games will go on to compete internationally in their respective sports.

These games, jointly sponsored by the federal new horizons program and the Ontario Ministry of Culture, Tourism and Recreation, provide many seniors with an outlet for physical fitness as well as the opportunity to establish and maintain friendships with their extended community.

I wish each and every competitor success and, more important, a good time over the course of the senior games.

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FREDERICTON CHAMBER OF COMMERCE

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, it is with great pleasure that I extend congratulations to the Fredericton Chamber of Commerce on winning the 1995 Chairman's Award. This award is given to the Atlantic province's chamber of the year.

The award was in recognition for the Fredericton chamber's business development initiatives in 1994–95. The Fredericton Chamber of Commerce contributes annually to the Greater Fredericton Economic Development Corporation. In addition to financial support, the chamber has a member on the board.

Further, the chamber has played a leading role in the commercialization initiative at the Fredericton airport and has contributed generally to the growth of Fredericton's information based economy.

Congratulations to past president Stuart Blair, present president Bill Macmakin and Krista Hamilton and her staff. It is thanks to these people and to these kinds of initiatives that my riding continues to find success in attracting new businesses and providing leadership in the growing new economy.

* * *

TOURISM

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I rise today to congratulate the Nova Scotia government for showing strong leadership in the area of tourism development across the province and in particular on Cape Breton Island.

For the past 37 years the people of Cape Breton have been patiently waiting for the development of an infrastructure system worthy of its international tourist destinations, including the beautiful Cabot Trail, salmon fishing on the Margaree and Canada's best kept secret, the magnificent Fortress of Louisbourg.

Tourism is an $834 million industry accounting for over 35,000 jobs across Nova Scotia. On Cape Breton Island this translates into almost 7,000 jobs and $177 million in revenues. The potential for growth here is almost unlimited as new markets are sought.

For a region that has been devastated by a downturn in the fisheries and a 24 per cent unemployment rate, the completion of the Fleur-de-lis highway is more than just about a tourist trail. It is the completion of a transportation system that offers hope, survival and vital long term economic growth to coastal communities which would otherwise disappear. It is a road that paves the way to a self-sufficient and proud future.

As the member for Cape Breton Highlands—Canso I say congratulations to the Nova Scotia government. I invite all Canadians to come to Cape Breton this summer for a vacation to remember for a lifetime.

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BIKE L.A.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise in the House today to pay tribute to a constituent, Elaine Strawbridge.

Presently Ms. Strawbridge is participating with 50 fellow Canadians in Bike L.A., a fundraising bike tour to support the Habitat for Humanity Organization.

The 4,000-kilometre bike trek began in Winnipeg on May 20 and is travelling through six states for 30 days before reaching

the California destination. Local churches along the route are providing meals and lodging to the cyclists.

Through her participation, Ms. Strawbridge hopes to raise $25,000 for the local Habitat for Humanity Organization. This non–profit organization builds affordable housing for low income families through volunteer work.

• (1405)

I commend Ms. Strawbridge and all Bike L.A. participants for their commitment to helping those less fortunate. On behalf of all Canadians I wish Ms. Strawbridge a safe and successful trip.

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[*Translation*]

REPRODUCTIVE TECHNOLOGIES

Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ): Mr. Speaker, the Royal Commission on New Reproductive Technologies issued a report on November 30, 1993, after four years of deliberations which cost the taxpayers of Canada and Quebec over $28 million.

Despite the promises made by the Minister of Justice and the Minister of Health, the government has yet to determine how it will follow up on this report. The government is waffling, is killing time. Is it waiting for the end of the world to come or is it waiting for brighter days? Hard to say.

In the meantime, the flourishing embryo business is turning a brisker and brisker trade and genetic manipulation is being put to commercial uses. And once this trade has assumed such proportions that it will be increasingly difficult, maybe even impossible, to control the situation, the government will be faced with the loathsome task of justifying its inaction.

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[*English*]

REFUGEES

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the refugee system does not work. The Immigration and Refugee Board is bankrupt and the government does not have what it takes to fix the problem. However, we do the Reform Party has produced a paper on refugee settlement which contains 13 proposals that would, if enacted, bring genuine refugees to Canada while halting widespread abuse of the system by economic migrants and the immigration industry.

We call for increased co–operation with the UN to bring in more refugees from abroad, tightened airline security, a safe third country list from which people could not make claims, restricted availability of some social services for those who are found not to be genuine refugees, especially legal aid, the dismantling of the IRB and the restoration of accountability in the system, among others. These proposals would bring sense back to the refugee system, would save hundreds of millions of dollars and would protect those most in need.

I sincerely hope the government has the sense to study and implement these reasonable, common sense proposals. Let us make the system work for everybody's interests, not just special interests.

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KAMLOOPS BLAZERS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I rise today to congratulate the Kamloops Blazers hockey team on winning the 1995 Memorial Cup and on the extraordinary accomplishment of winning three out of the last four Memorial Cup championships.

For the Blazers it was a Memorial Cup matinee masterpiece before 5,500 enthusiastic fans at Riverside Coliseum in Kamloops. The western hockey league champion Blazers crushed the Ontario pennant winning Detroit Junior Red Wings in an 8 to 2 upset as the Brandon Wheat Kings and the Hull Olympics looked on.

Congratulations to the team players, coach Don Hay, manager Bob Brown and all the others who worked so hard to make the Kamloops Blazers the number one hockey club in Canada.

* * *

OPTIMIST CLUB

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, for more than 75 years Optimists have found ways to help young people feel better about themselves, learn, feel happy and build solid foundations of character.

Youngsters have gained self–confidence through the oratorical contest, learned about their attributes through Youth Appreciation Week and experienced the power of leadership through their Optimist youth clubs. Recently Optimists have learned that brick by brick they can help young people to build on themselves through positive mentoring and tutoring programs.

On June 3, 1995 Optimist International is celebrating Optimists in Action Day around the world. The theme this year is: "Our Children, Our Future". The Optimist Club of Brampton will be holding an event to mark action day which involves other Optimist clubs in the area, youth clubs and other organizations.

I ask all members of the House to join me in wishing organizers and participants in the Optimist Club of Brampton's Action Day all the best.

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VANCOUVER PUBLIC LIBRARY

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, on behalf of the Senate and the House of Commons Joint Standing Committee on the Library of Parliament, I congratulate Mayor Philip Owen of Vancouver and Kyle R. Mitchell, chair of the Vancouver Public Library Board, for the eight years of planning and community effort which have

culminated in architect Moshie Safdie's imaginative, post–modern Vancouver Public Library.

It is a true symbol of the intellectual vivacity and creativity of Vancouver today.

* * *

• (1410)

HOUSING

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, the minister responsible for CMHC recently announced a one year extension of the affordability and choice today program or ACT.

The purpose of the program is to identify, demonstrate and promote changes in planning and building regulations that could help to improve housing affordability, quality and choice and to stimulate regulatory innovations in municipalities across Canada. The extension means that grants for at least 10 more projects will be provided.

Affordable housing is very important to the constituents of Bramalea—Gore—Malton. I commend the minister and CMHC for their actions and initiatives in this area. Anything the government can do to help promote the building of affordable housing is a step in the right direction.

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ONTARIO ELECTION

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, in the Ontario election Mike Harris and the Conservatives are claiming they can balance the province's budget while massively reducing revenues through a reckless 30 per cent, or is it now 35 per cent, income tax cut.

In 1993 Mike Harris said he could balance the books in three years. In 1994 he said in four years. Now he says it will take until 2001. That is six years and six budgets. Mike Harris cannot add.

The Tory plan contains billions of dollars of errors, omissions and exaggerations. There are billions not accounted for. Ontarians must know what Mike Harris is afraid to tell them, that he will gut the province's social programs to find the extra money. Mike Harris says: "Vote for me now and I will tell you later what I am going to do to social programs". That is being dishonest.

Lyn McLeod will balance the budget within her government's mandate. Liberals are prepared to be accountable to voters if they fail instead of putting tough decisions off into the future. Only the Ontario Liberals have a realistic plan to balance the province's budget without devastating social programs.

[*Translation*]

WORLD REPORT ON HUMAN DEVELOPMENT

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, Charles Castonguay, mathematician and University of Ottawa professor, denounces the shameful and pernicious use to which the federal government is putting the latest UN world report on human development by claiming that Canada ranks number one in the world in this area.

The government bases its claim on Canada's rank on the human development index. However, the purpose of this index is to measure the gains that developing countries are making on developed countries. A close look at these statistics reveals that Canada's unemployment rate is the fourth highest in the world and that our youth unemployment rate ranks eighth among all countries on the index.

Canada also ranks eighth for the income spread between its richest and poorest citizens. The propaganda campaign of the Prime Minister and his government shows that they are stretching reality to hide the fact that they have given up on the social front.

* * *

[*English*]

LIBERAL PARTY OF CANADA

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, in the next couple of weeks members across the way face a critical test that will characterize the very essence of their stay in Ottawa. They must decide if they are here to serve their constituents or they are here to serve their party masters.

The Liberal red book promised free votes. The 35th Parliament has yet to have one government bill open to a free vote.

In the next few weeks votes on bills as diverse as the sentencing bill, the employment equity bill and the gun registration bill are all due. Free votes are clearly called. Liberal members have been told their party comes first. History however tells another tale and I urge Liberal MPs to vote with their constituents.

The next few weeks will be interesting indeed. The very definition of parliamentary democracy is at stake. Hopefully the voice of the majority of Canadians will be the one that Liberal members listen to.

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NATIONAL ACCESS AWARENESS WEEK

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, this week is National Access Awareness Week. It was

my privilege yesterday to join with Canadians from communities across the country at the national kick–off ceremony.

This week gives individuals with disabilities the opportunity to celebrate their many accomplishments and allows for the setting of new goals for improving access.

With learning as the focus of this year's celebration, we are reminded that learning is a lifelong process. It is important to ensure that all learning opportunities are available to everyone, including Canadians with disabilities.

We have much to learn from each other. Canada cannot afford to ignore the tremendous talents, abilities and skills that persons with disabilities can contribute to the workplace, to schools and to communities.

As members of Parliament let us commit to removing all physical and attitudinal barriers faced by persons with disabilities to ensure their full participation in all aspects of community life.

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• (1415)

PETE MCGARVEY

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I am pleased to stand in the House and recognize the contributions my friend Pete McGarvey has made to Canada and Canadians for many years.

I have known Pete McGarvey for the last 21 years and he has had an immense influence on my life since first meeting him in 1974. I commend the city of Orillia for inducting him into Orillia's Hall of Fame.

Pete McGarvey was chosen for his continuing service in the community, for being the driving force behind the restoration of the Leacock home and for his accomplishments as a successful writer and broadcaster.

I am confident the citizens of Orillia will agree with me, Mr. McGarvey deserves this honour and much more.

I call on the House to join with me in congratulating Pete McGarvey, his family and the city of Orillia for making him its choice for the Hall of Fame.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaking, following the meeting of the contact group on Bosnia, Canada's allies decided to respond to the affronts by

Bosnian Serbs by consolidating the action of the peacekeeping forces through a redefinition of their mandate and a diplomatic approach to obtaining the release of nearly 400 peacekeepers, including ten Canadians. Canada's Minister of Foreign Affairs followed closely in NATO's footsteps this morning, but without, however, setting out Canada's position in clear terms with respect to the consolidation of the peacekeepers' mandate.

My question is for the Prime Minister. In the light of the emergency debate permitted yesterday, would he tell us what definite instructions he sent to his Minister of Foreign Affairs, who will represent us tomorrow at NATO's other meeting?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I had an opportunity yesterday in this House to explain the need at this point for the United Nations to establish new directives for the troops in order to avoid a repetition of the hostage taking and, perhaps, to redefine their mandate so that the troops could act more quickly in the event of an emergency than they have been able to in the past.

Today, at the United Nations, the Secretary General is to submit new directives in this regard to the Security Council. We had an opportunity over the weekend to express Canada's point of view. We will see what the Security Council decides. Our troops in Bosnia are under the command of the United Nations, and the UN gives the necessary orders.

The Secretary General confirmed to me that the role of our soldiers needed redefining and that they should be redeployed so as to be in a position to defend themselves more readily. We will see what the UN decides later on this week.

As for the Minister of Foreign Affairs, he is acting on the instructions in the statements issued in this House during yesterday's debate by the Minister of National Defence and my responses in Question Period yesterday.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, if the Minister of Foreign Affairs has only what the Prime Minister has just said to go on, he will have to fudge it tomorrow in Brussels, because there is nothing clear in what the Prime Minister has said, it is extremely ambiguous. Other countries are members of the UN forces and have made concrete decisions. France, Great Britain and the United States, for example, have sent additional troops and equipment that is more suitable for over there.

I would ask the Prime Minister to tell us whether his government has sent or will send additional equipment on an emergency basis such as heavier tanks and arms so that our peacekeepers may defend themselves and bring their peace mission to a successful conclusion.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have not yet made any decision in this regard. We believe that our troops, where they are placed at the moment, have what they need in order to be able to react, particularly if

their mandate is redefined. We have decided not to send additional troops for the time being.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, it will be noted that I spoke of heavier equipment and more effective weapons and that the answer remains: "We have not made any decision". And so we are still in the dark. This is indeed worrisome, Mr. Speaker.

When decisions guiding international action in Bosnia are made by the contact group, how does the Prime Minister explain Canada's sending the fifth largest contingent to Bosnia and Croatia without being a member of the contact group, unlike the United States and Germany, which are members without having sent a single peacekeeper there?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, yesterday I explained that 25 countries are represented with troops in the former Yugoslavia, and that most of them are not in the contact group. These countries include Spain, Holland, Denmark, Canada, Pakistan and others that are there.

We are in contact with these people at the moment, and the Minister of Foreign Affairs is in contact with his counterparts in the group. A NATO meeting was held this morning; there will be another one tomorrow, I think. And there is talk of a meeting of defence ministers on the weekend. So the Minister of National Defence will be there, and the Minister of Foreign Affairs is already there. I said that, as regards the Canadian position at this point, there is no need to send new equipment; what we have there now is satisfactory.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Prime Minister.

The public is concerned about the fate of the 380 peacekeepers, including 10 Canadians, held hostage by the Bosnian Serbs as well as 45 other Canadian soldiers surrounded by the Serbs. The base in Valcartier has received 1,200 calls from relatives concerned about the safety of the soldiers deployed in the former Yugoslavia.

Given that the public worries about the fate of our peacekeepers in Bosnia and that negotiations to secure the release of the Canadian hostages have yet to produce concrete results, how can the government be so vague—like the Prime Minister's response—about its position on the current crisis in Bosnia, when France, Great Britain and the U.S. have already announced concrete actions? These soldiers' families want concrete actions and decisions.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said that we participated in all the weekend discussions. I have been in contact with the leaders of the governments that have troops over there, like Great Britain and France, and with the Secretary–General of the United Nations.

Some of our soldiers are in a difficult position but they are not very far from the base in Visoko, and we are in contact with those who have been captured and those who are in a non–mobile position, so to speak. Two Canadians are held outside that area, one of them in Pale, and we were able to communicate with him in the last few hours.

Unfortunately, we have not heard recently from Corporal Lapalme, who is in the Bosnian capital of Sarajevo, and with whom we are currently trying to establish contact. So far, however, we can assure the families that we are staying in contact with everyone involved, with the exception of Corporal Lapalme, and we are doing everything in our power to ensure that they remain alive. Our current approach is probably the best way of securing their release as soon as possible.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my supplementary is also for the Prime Minister.

Given that everyone agrees that the peacekeepers' mandate should be redefined—although the Minister of National Defence was unable to do so yesterday—and that we are waiting for the United Nations' response, how does the Canadian government propose to redefine the UN mandate of Canadian peacekeepers?

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, yesterday I said we took an initiative on that. Last week we discussed the mandate with the United Nations.

I will repeat in the House that we have to make sure troops are not spread around like they are at the moment. We would like them to be concentrated in places where they can defend themselves and be defended by other people at the bases. That is the main preoccupation. When they are alone in observation towers, for instance, they are in some difficulty because they cannot readily defend themselves.

That is exactly what the UN is considering at the moment, to give peacekeepers a role more in relation to the means they have. The troops are under the command of the United Nations there and the secretary general is supposed to present new guidelines to the security council possibly later today.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in the last 24 hours the UN's mandate in the former Yugoslavia is being shifted from a focus on peacekeeping to aggressive peacemaking.

• (1425)

Britain has announced it will be sending 5,000 more troops. France is committing an aircraft carrier and helicopter gun

ships. The U.S. may contribute commandos to the conflict. The UN contact group has also endorsed a plan that would give UN soldiers the power to aggressively attack warring factions.

Does the government support shifting the UN mandate in this direction, shifts which will escalate military activity in the former Yugoslavia?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is no question at this moment of shifting the mandate of peacekeeping to enforcing peace in the way described by the hon. member. They are sending more troops there to protect their own troops.

I explained the Canadian situation. We are not in exactly the same position. Our troops are not as spread out as others. It is not a question at this moment of Canada's sending more troops.

The mandate is not to start a war with anybody but to protect the troops there, which is exactly what we are supporting.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, to many observers it appears the UN mandate is shifting. If the government simply passively accepts those shifts, the public will want to know what that means for Canada.

In March the government sent our peacekeepers back to Bosnia without a clear mandate, without firm criteria for staying or withdrawing and without a voice in the decision making contact group.

If the government insists on staying under conditions of military escalation will it now insist on being given a place at the table with the United Nations contact group? In other words, will that be a condition which must be met if Canadian peacekeepers are to remain?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, there have been concerns on the part of a number of countries about the contact group and membership.

As a result we are now looking at perhaps shifting some of the focus to NATO nations contributing troops. There may be a meeting on Saturday or a few days later in Brussels to deal with that.

Canada is certainly a member of that group. We had one meeting last December—

Mr. Hermanson: It is almost June.

Mr. Collenette: If the hon. member would listen, I will explain.

We have had continual contact back and forth, personal, one on one and bilateral and other multilateral meetings since last December between the Minister of Foreign Affairs, myself and other ministers of defence of NATO contributing nations.

The Minister of Foreign Affairs, who is in Europe, has been fully apprised of what has been happening and has given input into the deliberations that went on yesterday.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, what continually disturbs us about this discussion is the fuzziness of the government's criteria for remaining and the fuzziness of its strategy in this troubled part of the world.

I will ask the minister again a very straight question, one Canadians want answered. If the government has decided Canadian peacekeepers are to remain in the former Yugoslavia, with their lives even more at risk because of the escalating dangers, will it be conditional on the government's being given a place in the UN contact group, yes or no?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not know why the hon. leader of the Reform Party is so preoccupied at this late date with the forum for discussion.

Discussions are ongoing. There is nothing fuzzy about the government's position. I do not know how the hon. leader of the Reform Party can make that statement having sat here last night and listened to my speech in which I outlined the number of criteria for our continued participation in a redefined UN mandate. That was outlined again today by our Minister of Foreign Affairs in The Hague.

* * *

• (1430)

[*Translation*]

EXPORTS OF MILITARY EQUIPMENT

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is for the Minister of National Defence.

A study conducted by Project Ploughshares, a research institute in Waterloo, Ontario, shows that in 1993–94, more than US$200 million in military equipment manufactured in Canada was exported to at least 11 of the 39 countries ravaged by civil war last year, in contravention of the arms exports controls.

How can the Minister of National Defence explain the fact that the government authorized the sale of Canadian–made arms and military equipment to countries like Peru, Turkey and Burma, where human rights are systematically violated?

[*English*]

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, Canada is very clear in the countries that it supports with the delivery of arms and parts for munitions.

Most of our trade is with the United States, with NATO countries or with other countries with which we have a production agreement. We do not send and sell arms to third world

countries that are in a conflict situation or any country that is in a conflict situation either with another state or with its internal population.

We have not yet seen the report to which the member refers. It has not been made public to us but we will be reviewing it as soon as it is made available to the government.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): But this was reported in the press yesterday, Mr. Speaker. This study also shows that Canada is the seventh largest supplier of military weapons to third world countries.

My supplementary is for the Minister of National Defence. Are we to understand that this violation of arms trade regulations by the Canadian government is totally in line with its new foreign policy, which puts trade before human rights?

[*English*]

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I can only say that the report which was reported upon in the press yesterday has not been made publicly available to the government. We will be reviewing it when we do get that document.

The fact is that Canada supports the reduction of the production in trade of conventional weapons. We are very active on the international commitment to that. We are dialoguing with other nations to see what we can do.

We feel that the proliferation of conventional weapons is one of the most serious problems confronting our world and is causing so much of the conflict that we are having to address.

* * *

BOSNIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, we have a defence minister who is sending a double message to Canadians. On one hand he is beating his chest and talking tough about a beefed up mission to Bosnia while in reality his poor leadership and defence cuts have reduced the morale and effectiveness of our military.

The minister cannot have it both ways. Is he going to cut the military or is he going to beef it up?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the critic for the Reform Party says that I have some explanations to give. Perhaps he would like to give an explanation to Canadians as to why he advocated yesterday on behalf of his party that Canadians retreat from Bosnia, leave our hostages there and allow the rest to get him out.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, Reformers or Canadians do not leave hostages behind when they conduct a retreat.

This morning, the Bosnian ambassador to the UN commented on the uselessness of the UN operation. He said: "Under these circumstances, the humanitarian mission is over". Considering this, will the Prime Minister admit that no humanitarian aid is getting through and that this reality is a direct contradiction to what he argued yesterday in this House?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, perhaps it says something about the state of the Reform Party that the hon. foreign affairs critic seems to know a lot about the science of retreat. Perhaps he would like to edify the House as to how that will apply to other Reform Party policies.

The fact is that we are not going to leave those people in the former Yugoslavia to brutality, to torture or to carnage. We believe we have an obligation as part of the United Nations mandate to help bring some stability to that area. We are certainly not going to do anything to endanger the safety of our captured troops, least of all retreat.

* * *

• (1435)

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

The people of Saint–Siméon and the surrounding area in the Charlevoix riding, are bracing themselves for the unemployment insurance reforms imposed by the minister in the February 1994 budget. These dramatic reforms are hitting them very hard. Entire families have been forced onto social assistance, because of the inadequacy of the unemployment insurance system.

Does the minister realize that his reforms have pushed thousands of citizens, like those of Saint–Siméon, closer to misery, and that he must revoke these cuts in order to stop thousands of unemployed people from flocking to social assistance.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as I have pointed out in the House in the past, our changes to the unemployment insurance provide a substantially higher benefit for low income unemployment insurance claimants. In the last account I think some 280,000 Canadians, including 80,000 in the province of Quebec alone,

have been able to receive an additional $1,000 per year as a result of the changes we implemented.

I have read the comments of the people of the St. Simeon area and their concern about the design of the UI zone, but that is a very different issue. That goes back to the UI reforms which were brought in by the Conservative government when the hon. member's hon. leader was a member of that government.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, here is my supplementary question. The time for speeches has passed: it is now time to act.

Does the minister realize that, while he doles millions of dollars out to the Winnipeg Jets, the unemployment insurance cuts made by this government and the one before it, in particular those contained in this government's last two budgets, are making life miserable for the unemployed and unbearable for seasonal workers?

The Speaker: Please ask your question.

Mr. Asselin: Mr. Speaker, I will start over again.

Does the minister realize that the unemployment insurance cuts—

Some hon. members: Oh, oh.

The Speaker: My dear colleague, I could not hear you. Please ask your question.

Mr. Asselin: Mr. Speaker, here is my question.

Does the minister realize that, while he doles millions of dollars out to the Winnipeg Jets, the unemployment insurance cuts contained in this government's last two budgets are making life unbearable for seasonal workers and are causing people from Charlevoix to starve?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member could serve his constituents in that area most effectively if he were able to use his powers of persuasion with his colleagues to join with us as we attempt to provide a major modernization of the unemployment insurance system. It will provide the kinds of tools and resources that will enable people to get back to work.

The problem is the Bloc Quebecois has opposed every effort to provide for an improved unemployment insurance system, every effort to give people more resources to get back to work. I would appeal to the hon. member to use his good offices to try to change his party's policies and co–operate with us in trying to provide a much more effective unemployment insurance system for Canadians.

BOSNIA

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, it seems the government will leave our Canadian forces in the former Yugoslavia.

Our mandate in Bosnia is to assist in the delivery of goods, but the Sarajevo airport is and has often been closed and when convoys do move they are often prevented from reaching their destinations. Last night the defence minister suggested that to reduce our vulnerability we will pull in our observers and concentrate our forces for protection.

• (1440)

Will the minister explain how we are to carry out our mandate when supplies are not getting through and our troops are all hunkered down in bunkered compounds?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. critic for the Reform Party is taking considerable licence with what I said last night.

When we talk about perhaps bringing the UNMOs out of exposed situations, that to me is good common sense. When we talk about concentration of troops as the Prime Minister has explained, this does not necessarily apply to Canada because our troops are reasonably well concentrated at our two posts at Kiseljak and Visoko. But it does make good sense for the UN to continue the mandate to have some concentration of its forces so there is less exposure.

I would like to take exception to what the hon. member has been saying in terms of the discharging of the mandate in Bosnia. The fact is that for most of the last three years those flights have operated with Canadian Hercules from Ancona to Sarajevo. That has been a lifeline which has kept those people fed. The other convoys have been getting through. Of course in the last couple of weeks things have been difficult, but the last couple of weeks does not tell the tale.

I continue to be completely surprised as to how members of his party stand in the House and offer a plan to retreat when they should be offering the Canadian people a plan to retrieve our peacekeepers.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the Reform Party is suggesting a withdrawal.

Will the government acknowledge that withdrawal at this time does not mean abandonment of the region but rather opens the door to other options which are currently unavailable because of the threat of hostages? For instance, has the government considered replacing withdrawn ground forces with an air squadron, thus continuing Canadian presence and providing a needed capability?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the logic of Reform Party members is incredible. They stood here last night and told us to get out of there and basically gave us detailed plans for a retreat. Now the hon. member is asking for the application of air power.

I would like to ask him to please make up his mind and be consistent? At least the official opposition is consistent and we respect and are grateful for its support. However, let us have some consistency of opinion in this whole matter.

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[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the solicitor general.

The action taken by the RCMP and CSIS against Pierre Laberge, a retired RCMP employee who came down in favour of Quebec sovereignty, was apparently not enough for Normand Chamberland, Director General of CSIS in Quebec, since he has just fired Mr. Laberge's wife for no reason after 10 years of service.

How can the solicitor general let Normand Chamberland, who planted bombs in Quebec in the 1970s, be so unfair to Mr. Laberge's wife, simply because Mr. Laberge expressed his support for Quebec sovereignty?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, it is a well known fact that CSIS is cutting staff. It seems that the employee in question is part of the cuts. I have been told that this decision has nothing to do with opinions she or her husband expressed.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it so happens that Mr. Laberge's wife was the only one not wanting to leave and that the job cut, effective June 1, was announced last Tuesday. The fact that the government condones this action suggests that she indeed was fired.

Is the government so worried about the outcome of the referendum campaign that it condones such acts of pure intimidation against people whose only crime is to have a sovereignist spouse?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I do not accept the hon. member's allegations. As I just said, the decision is due to the staff cuts at CSIS and has nothing to do with the opinions in question.

• (1445)

It is sometimes not possible to lay off only those employees who want to leave. In cutting staff at CSIS and in other services, it will not be possible to get everybody who has to leave to do so voluntarily.

As I just said, this layoff has nothing to do with the opinions in question.

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[*English*]

CUSTOMS

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

My constituents have expressed concern over line–ups at border points for tourists and for people working on both sides of the border. We must make border crossing between Canada and the United States easier for tourists so they will feel welcome to Canada.

What is the minister doing to relieve congestion and frustration at the border points?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, there are a number of measures being taken. I would like to thank the hon. member for his concern in this area, which he has expressed on a number of occasions most forcibly.

We are in fact proposing that we make a change to the $300 exemption paperwork at the border so it can be done without filling out a form. This initiative is a proposal at the present time. Consultations are ongoing but if the consultations are successful we expect to bring it in by August 1 of this year.

It is an initiative that is consistent with the U.S.–Canada border accord that the Prime Minister and the President of the United States signed last February. It will streamline clearance procedures, save approximately 16 person years of time for Revenue Canada and will be one of a series of measures to make our border more user friendly and less of a hassle for the honest border crosser.

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BOSNIA

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, since the defence minister is so certain about the security of our Canadian troops, maybe he would like to suggest exchanging himself for the 55 Canadian peacekeeper hostages in Bosnia.

The Prime Minister and the Minister of National Defence have stated that Canada is not prepared to commit any more resources to the former Yugoslavia. In fact, Canada has no more resources. Maybe we should talk about the lack of helmets or the lack of flak jackets or our outdated, obsolete armoured personnel carriers.

My question is for the Minister of National Defence. I would also like to remind him that we have troops who have spent three and four terms in Bosnia. Will the minister admit that Canada has no more resources to commit, that we are stretched to the limit and that we should be out?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member who just asked the question was a participant and a member of the special joint committee. That committee made certain recommendations about the availability of Canadian forces and those recommendations were followed in the white paper. That means that in certain circumstances for conflicts of this nature we should have ready additional personnel if required. The white paper calls for that and those people are there. We are taking steps to address the fact that we have been engaged quite frequently in peacekeeping missions by putting 3,000 more ground troops into the sharp end.

Before the hon. member makes these outrageous assertions in the House of Commons, perhaps he should read his own committee's report, which he signed, and the defence white paper.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I am amazed at the responses from the Minister of National Defence and the Prime Minister today. Are we talking about the same conflict? When we listen to them we think "now we have them right where they want us". That is the situation we are in.

The Minister of National Defence said that Canada has no plans to send additional troops at the moment. This is what he said: "Unless there is a need for a withdrawal of forces under the auspices of NATO, and then of course we would be part"—

The Speaker: I would ask the hon. member to put his question.

• (1450)

Mr. Hart: Given that the minister disbanded the airborne regiment, Canada's sole rapid reaction force, what resources does he have left to send over?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I perhaps would not want to get into a convoluted answer to a convoluted question.

I will take this opportunity to say that one of the people who has been detained, hostage Captain Rechner, was contacted a few hours ago through a Serbian interpreter. He is in good shape and is well fed. He has been able to bring supplies from his own quarters but he is still being detained. He is no longer being chained to a pole.

I thought the House would want to know this. We remain concerned about Captain Lapalm. Of course the other people who are detained in Ilijas are in relatively good shape, as we have previously described.

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[*Translation*]

SECURITY INTELLIGENCE REVIEW COMMITTEE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the solicitor general.

If you consider that Michel Robert was appointed to the Quebec Court of Appeal, and if you add to that the fact that Jacques Courtois took ill and Rosemary Brown clearly lost interest, it would appear that the Security Intelligence Review Committee has become virtually inoperable. There is no one monitoring the activities of the Canadian secret service. While the cat is away, the mice will play and the spies will spy.

Does the solicitor general recognize that, for all intents and purposes, the Security Intelligence Review Committee is not functional and that there is therefore an urgent need to fill the vacancy and replace members who are no longer interested in carrying out their responsibilities?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I do not accept the allegation of the hon. member that the Security Intelligence Review Committee is inoperable. It is in the position to carry out its functions. There are a sufficient number of members there to fulfil the requirement of the law with respect to its quorum. However, the matter of the vacancy is under review by the cabinet. I hope there will be an appropriate step taken under the law very soon to deal with the vacancy.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, in view of the reported case of former CSIS agent Pierre Laberge and the firing of his wife, will the Prime Minister—and this time my question is for him—undertake to fill these positions and consult the Leader of the Official Opposition before making any appointment to the review committee, as required by law?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think that the Solicitor General has already answered this question. This position will be filled very shortly. I am very surprised at the official opposition for making such allegations, considering that hundreds of people have lost their jobs in Quebec City because they did not believe in the separatist option.

In this case, the Solicitor General indicated that Mr. Laberge's wife was unfortunately among those who had to be laid off as part of the cuts imposed by the government.

I find the opposition's allegations incredible, having seen for example the firing of Mrs. Thibault, who was the president of an association for persons with disabilities, because she was a known Liberal supporter. If I were in their shoes, with the hundred or so shameful cases of patronage in Quebec over the past nine months, I would shut my mouth.

* * *

[*English*]

BOSNIA

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the defence minister has been widely quoted as saying that Canada supports the NATO air strikes. On Saturday, however, Canadian UN ambassador Robert Fowler stated that the Canadian government opposed punitive air strikes against Bosnian Serbs. "Air strikes as NATO carried out last week", he said, "were not useful".

Is Bob Fowler still running Canadian defence policy? If not, can the minister correct this discrepancy by explaining Canada's actual position?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, there has been no change with respect to Canada's policy on the use of NATO air power.

We had a number of discussions a year ago. The Prime Minister was in those discussions. As a result, we agreed to the use of NATO air power when requested by the UN forces on the ground for close air support, for protection of UN personnel and in certain situations relating to the safety of people in the various enclaves in Croatia and Bosnia. However, we did agree in certain circumstances that they could be used for other less defensive needs.

• (1455)

In the last couple of days we have said that if such air attacks as were deployed last week were to be used again, we would prefer some modification to the approval process so that Canada would certainly be part of that decision in a more formal sense.

With respect to the general application of the policy with close air support, as I have earlier described, we are quite happy with the way that process has been working in the past.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, that Bob Fowler would feel so free to express his own personal opinion I think speaks volumes about the mess at the Department of National Defence. There is a huge vacuum of leadership. I think Mr. Fowler thought he would step in and fill it.

What is the minister doing to improve the communications and clear up the confusion in his own department at a time when the safety of our own troops depends on it?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we are seeing a pattern of questions in the House today that is very unfortunate.

The lives of Canadian men and women are in danger. Despite our partisan differences on other matters, all of our questions and all of our thoughts should be on how to improve the situation, not to make petty criticisms on the floor of the House of Commons.

The hon. member speaks of a vacuum, but when we hear the comments of his defence critic, who a few moments ago said "retreat is not withdrawal and withdrawal doesn't mean you leave", one wonders where the vacuum is and who is actually setting policy on that side of the House.

* * *

CANADIAN WHEAT BOARD

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, my question is for the Minister of Agriculture. As he knows, last April 27 the Canadian Wheat Board issued an embargo on pasta from the European Union.

This action has spawned an artificial distribution system, weakened the financial stability of hundreds of family retail enterprises dependent on the sales of pasta for survival and put thousands of Canadian jobs at risk. Moreover, for consumers it has caused a price increase for a reduced variety of product. Will the minister either rescind the order or modify it so these effects can be corrected?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the source of the problem described by the hon. member in his question is obviously European subsidization on European pasta exports which recommenced as of April 1.

We have asked the Europeans to withdraw their subsidies, but to date they have declined. The Canadian Wheat Board has had no choice but to respond, which the board did on April 27 by reimposing Canadian import restrictions on certain pasta products.

These restrictions limited imports to retail sized packages imported by retailers. Since the time that measure was imposed we have been made aware by the hon. member and by others of certain unintended effects to small retailers who normally use wholesalers to import pasta on the small retailers' behalf.

Accordingly the Canadian Wheat Board is making certain administrative adjustments to address this issue to allow import permits for pasta imported by wholesalers if that pasta has been imported on behalf of a small retailer and will be sold only to the

public by that retailer, as evidenced by an affidavit signed by both the retailer and the wholesaler.

* * *

[*Translation*]

CHILD SUPPORT

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Prime Minister.

Last week, in a controversial ruling on child support, the Supreme Court rejected Suzanne Thibaudeau's appeal. The Minister of Justice immediately stated that he would act quickly in this matter.

Can the Prime Minister tell us what his justice minister meant when he announced his intention to act quickly in the matter involving Ms. Thibaudeau and what measures he intends to take?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the Minister of Justice indicated very clearly the government's intention to issue a statement before the House adjourns in June. We certainly intend to do just that. The hon. member must know that we raised the problem in our first budget, and we are studying it very seriously.

* * *

• (1500)

[*English*]

CANADIAN WHEAT BOARD

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, further to my question on allegations of illegal dumping by the Canadian Wheat Board, we have now confirmation from the RCMP both in Winnipeg and Ottawa that no one from the Solicitor General's office ever asked them to review these allegations.

Why then did the Solicitor General write to me on March 28, 1995 and say that the RCMP had been asked?

The Speaker: That brings question period to a conclusion.

I have a question of privilege from the hon. member for Saint John.

* * *

PRIVILEGE

UNAUTHORIZED USE OF PHOTOGRAPH

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise on a question of privilege today because I feel that my privileges as a member of Parliament and my privacy have been severely undermined by the government through its report on plain and generic packaging of tobacco products.

Because of the House recess last week, I have not been able to bring this matter to the attention of the House until today. The Minister of Health—

The Speaker: My colleagues, I would appeal to you. One of our members is rising on a point of privilege which could affect all hon. members in the House. I would ask you to please listen attentively, as I intend to do.

Mrs. Wayne: Thank you, Mr. Speaker.

The Minister of Health released the report two weeks ago. Over 1,300 copies were given to the press in the National Press Gallery. It contained eight pictures used in a visual impact study. To my astonishment, my picture was one of them. In the report I was stereotyped as a smoker, which I am not, grossly overweight, which my doctor says I am not, and I guess they have me almost as an 80–year–old woman, which I am not.

At no time did I give permission for the photo to be used nor did anyone from the Department of Health consult me. This type of stereotyping is an assault on my dignity as an individual and as a member of the House. It opens me up to ridicule and thus may impede my ability to perform my duties effectively.

To facilitate your work, Mr. Speaker, I would like to draw your attention to a ruling by your predecessor, Speaker Bosley, on a similar case in 1985. The issue involved an advertisement in a newspaper that identified a member of Parliament as someone else. Speaker Bosley said:

> Anything tending to cause confusion regarding a member's identity creates the possibility of an impediment to fulfilment of the member's functions and constitutes a breach of privilege.

Speaker Bosley ruled that it was a prima facie case and referred the matter to the Standing Committee on Privileges and Elections. That case is similar to mine because a member of Parliament was misrepresented.

• (1505)

That is essentially the issue in this case. I have been identified and stereotyped in a manner that misrepresents me, not to mention the photo was used without my permission.

I have asked the Prime Minister for a public apology for the unauthorized use of this photo in a public document and a full accounting and explanation of how the health minister could have allowed this to happen. I have yet to receive a response.

Mr. Speaker, respectfully, I ask you to rule on this question of privilege.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member for Saint John has raised a very serious issue, one that I know the Minister of Health is very anxious to reply to when she is available. Unfortunately, the Minister of Health cannot be here today. I am informed that she will be back in the House later this week. When she returns I know she will

want to make submissions to Your Honour and to the House concerning the very serious allegation raised by the hon. member for Saint John.

I would invite Your Honour to adjourn the matter until the Minister of Health is here and we can hear from her. I hope Your Honour will then take the matter under advisement and render a decision in due course.

The Speaker: Colleagues, this is a very serious matter and I take it as such.

The case was put to the House in a very succinct manner and I thank the hon. member for Saint John. I also thank the hon. member for Kingston and the Islands.

A minister of the crown is involved. With the permission of the House, I would like to have the minister enlighten us as to what happened. Perhaps it can be settled in that way, always keeping in mind that the hon. member's point of privilege will be dealt with in the House. However I would like the time to hear from the hon. minister when she returns, if that is agreeable.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—EMPLOYMENT EQUITY

The House resumed consideration of the motion.

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, if I rise today to participate in this debate on the Reform Party's motion, it is to protect the aspirations and vested rights of women in Quebec and Canada. As we know, this motion concerns employment equity. It embodies—pardon me for being so blunt—every myth conveyed against employment equity.

The motion even refers to the concept of unnecessary, ineffective, costly, unpopular and discriminatory measures. Our colleagues from the Reform Party therefore conclude that this whole system should be abolished and replaced with a system based solely on merit. Before going any further, I take this opportunity to denounce the implication that employment equity target groups, namely women, aboriginal people, persons with disabilities and visible or ethnic minorities, do not have as much merit as others.

Let us start with a definition. What is employment equity? In a document prepared by the Public Service Alliance of Canada for the 1992–93 regional conference of women, employment equity is defined as a process intended to bring about an equal distribution of workers who are too often refused training and promotion occupations within certain groups and areas. It added that, to be successful, employment initiatives must go beyond mere recruiting to ensure an environment free from discriminatory practices at work.

It should also be pointed out that one can take one of two views on employment equity; one being centred on results and the other on equal opportunity. I like to think that our society is seeking a balanced mix of the two.

• (1510)

The Bloc Quebecois fully supports the principle underlying the employment equity legislation. Recognition of the fact that entire segments of our society are basically denied equal access to decent jobs is crucial to the issue of women and poverty.

Women, as we have said time and time again, are poor. Women members of visible minority groups, aboriginal women and women with disabilities are even poorer. Is it necessary, in May 1995, to back this up with statistics? I think not, and I will spare the House the statistics today.

In the face of this problem of poverty, which all too often is chronic among women, one must realize that employment equity measures are not only necessary, but essential, in order to fight poverty. Only through economic equality will this problem be resolved, but except in rare cases, economic survival is dependent upon employment.

Let us now move to the heart of the matter. Before statistics can be compiled on women or aboriginal people in key positions or their promotion rate, members of the target groups mentioned designated in the legislation must first find jobs. In order for them to have access to jobs, measures have to be developed to foster equal employment opportunity, as job access is dependent upon certain preconditions.

For one thing, it may be useful to remind members that the mere existence of a sufficient number of available jobs is in itself a basic requirement. Some other conditions are the existence of full–time permanent jobs, a social infrastructure, adequate daycare and job training and access to non–traditional jobs. I will elaborate on the above points.

As I already mentioned, saying that a sufficient number of jobs are necessary to promote the access of women and of other groups to employment is a truism. Unfortunately, it is all too true that the current government has relegated this issue to the sidelines.

The Bloc Quebecois has vehemently decried the shameful omission of job creation programs from the two Liberal budgets. In effect, apart from the national infrastructure program, this issue has been at a standstill. And the jobs which have been created, temporary for the most part, only target men. There is nothing available for women, nothing at all. We have already seen much better job access visions.

Here is an example of an invalid policy on job access. To have access to jobs, there must first be jobs available. That is the very foundation of the principle. For women or other groups desig-

nated under the act to have equal access, the jobs that are accessible to them must be full–time and permanent, just like most of the jobs held by white men. Why? Let us take a look at the statistics.

A study carried out by Statistics Canada and published in the autumn of 1994 revealed that for the period between 1980 and 1993, most of the people working part–time against their wishes, I stress against their wishes, were women. In 1993, some 510,000 women in Canada held part–time positions, twice the number of men in the same category. Therefore, it is women who are having to deal with the problem of part–time work. The effect of this, as you might have guessed, is first on salary and then on advancement possibilities and thus on the possibility of attairing a better standard of living.

Likewise, permanent jobs are essential. Women are in the unfortunate position of being the leaders in casual, seasonal and badly paid jobs.

We have already referred to the march organized by Quebec women to demand that the government act to reduce poverty among women. The organizers of the "bread and roses march" are demanding, on behalf of the women of Quebec, what they have combined under the heading of social infrastructure, which includes the resources to be put in place to help improve the quality of life in their communities.

I refer here to resources for self–help initiatives, help for the disadvantaged, popular education, day care, literacy programs and integration of new arrivals. These resources, in addition to providing obvious support for social organization also give rise to many jobs for women where their particular skills are recognized. These resources must be strengthened and supported. This is a measure promoting women's access to jobs.

• (1515)

When it comes to job access, the immediate stumbling block for many women is child care. We must continually remind ourselves that real access to child care services is often the first step women must take on the road to work. If they run into a wall at this stage, there is no point in talking about job access. And we are still waiting for the government to move on this, as it promised to do in the red book, and provide day care spaces.

Similarly, it is hard to talk about equal access to employment when individuals lack the training required to hold the jobs that are still available. Women have always been disadvantaged in this regard. The "bread and roses" marchers have drawn attention to the problems of women without cheques, women who are excluded from subsidized training programs, because they receive neither UI nor welfare

The figures are alarming. Forty–four per cent of the adult population have not completed high school or professional studies. However, jobs created in the year 2000 will require 17 years of education. When you do not have a diploma, it is hard to talk about equal opportunity.

To conclude this overview of the prerequisites to access to employment, we must not forget women's access to non–traditional jobs, because they are for the most part the new jobs being created. As an example, I would like to mention the proposal made last week to the Conseil régional de concertation et de développement de Québec by the Regroupement des groupes de femmes du Québec and the Comité régional des partenaires pour l'accès et l'intégration des femmes aux secteurs d'emplois non traditionnels.

This proposal asked that the Conseil régional establish an equal opportunity policy and enforce it in the implementation of projects submitted by sponsors. This is what is innovative about it: in order to promote the access of women to non–traditional employment, sponsors who wish to have a project approved by the Conseil régional will have to develop and implement an equity program within their business. Now that is taking the bull by the horns. It is also the sort of concrete action target groups need if they are to have equal access to employment.

Let us now move on to the second stage of the process, the working environment per se, which brings us to some statistics. We will assume that there are measures to promote access to employment and that they are effective. Women and other groups therefore have jobs. Is there still a need for employment equity measures? As you will have guessed, the answer is yes.

Who gets the jobs that pay well and that are higher up the ladder? Unfortunately, the statistics in no way back up the Reform Party's motion. First of all, with respect to salary, we know that women, even those with university diplomas, are still earning 73 per cent of what men earn. This is an inequality that is partially explained by the fact that women are concentrated in the lower ranking, and therefore less well remunerated, jobs.

In the Public Service of Canada, 84 per cent of women occupy such jobs. However, women represent only 16.1 per cent of the executive group of this same employer. And yet, I would point out, the Public Service of Canada is governed by an employment equity act.

In Quebec City, which has adopted an equity policy, women account for 81 per cent of employees earning less than $41,000. Imagine the situation when employers are not subject to this legislation. Women therefore occupy jobs that pay less and carry no decision making authority. They must also contend with the highly disturbing phenomenon of sexual harassment.

We know that sexual harassment prevents women from attaining equality since victims often end up leaving their jobs or suffering the consequences when they file a complaint. The problem is a major one. It has been hardly a year since the daily newspaper *Le Droit* reported that, according to a Statistics Canada survey, 25 per cent of women said they had experienced harassment in the workplace, that is one woman in four. Of this

number, 39 per cent of incidents involved a person in authority. Surely no one would think for one moment that the job performance of a woman who is the victim of sexual harassment will be the same as that of a male colleague, that she will be evaluated objectively, that her opinion will be taken into account? Sexual harassment is a loathsome expression of the inequality that often plagues women. All the measures aimed at eliminating sexual harassment foster employment equity.

• (1520)

I could also talk about the importance of working conditions that are compatible with parental or support roles, such as parental and maternity leave and flexible hours. Unfortunately, I do not have enough time. I can, however, tell you that such working conditions are an essential part of employment equity. The measures designed to help individuals juggle family and job responsibilities facilitate access to the labour market and especially job retention. Such equity measures ultimately promote women's economic equality.

I cannot conclude without commenting on the insidious merit principle. The motion tabled by the Reform Party calls for rejecting Bill C–64 because hiring and promotion should be based solely on merit rather than on gender and race. If the hon. member for Fraser Valley East is so determined to put merit before gender and race, how does he explain the fact that women still earn only 73 cents for every dollar earned by men? I would like him to explain this to me.

Of course, in an ideal world, hiring and promotion would be fair, and there would be no discrimination on the basis of race, gender or physical disability. Yet, statistics show that we do not live in an ideal world. Non–disabled white men still hold 78 per cent of management positions in the public service. The powers and the economic levers are in their hands.

Let us look at the merit principle. As Kate Erickson of the National Association of Women and the Law claims, merit is assessed in a traditional way based on value judgments. The merit principle is part of discrimination history. In other words, during a job interview, a white man with the same lifestyle, clothing and education as the CEO will seem better qualified. On the other hand, a member of a visible minority will not benefit from the same stereotype and will seem unqualified. Yet, if these people were judged solely on their qualifications and experience, without a family name revealing ethnic origin, for example, it might be possible to look at their real qualifications independently of their social status.

The notion of merit is rather arbitrary. Systemic barriers have always prevented some individuals from landing jobs. The employment equity legislation does not suggest that individuals without qualifications be hired. It does not suggest that we should hire people on the basis of their race, gender or physical condition. It suggests that systemic barriers be removed so that individuals who meet the job requirements can be hired in spite of their differences.

In an ideal world free of racism and discrimination, we would not need this kind of legislation. However, in a world where employers do not want to hire a certain individual because it would mean having to widen doorways in order to allow wheelchair access, where 25 per cent of women are sexually harassed in the workplace, where women with disabilities and immigrant women are poorer than their male counterparts, we need such legislation. The fact is that, at present, the workplace does not operate on merit and is not fair and equal. Without legislation, there can be no fairness.

Only a very small part of the motion is acceptable in its wording. "Equality for all Canadians" are fine words describing an ideal situation. Unfortunately, we are still a million miles from there, especially as far as women, aboriginal peoples, persons with disabilities and members of visible minorities are concerned. And it is for these people that we pass legislation on employment equity, so that, someday, they can have equal access to jobs available to men and finally break out of the poverty in which they are kept by the present system.

• (1525)

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, as a member of the committee reviewing employment equity legislation, I am aware that 90 per cent of the witnesses who came before the committee supported the legislation. I am also aware that is likely more by the choice and selection of those witnesses than by the actual representation of the Canadian population to support that.

I have have just done a random telephone poll in my constituency. My constituency is on the outskirts of Vancouver. It is one of the more multicultural communities in our area, with a high percentage of immigration, at least 50 per cent women, I am sure, and so on.

The results of that random polling were opposite to what the committee experienced. There was a 90 per cent rejection of any kind of hiring other than on the basis of merit alone. I was interested in some of the member's comments regarding merit. The Canadian people think highly of that as a criterion for hiring.

She commented on women in the workplace; 73 per cent of the average wage and 78 per cent of men being in management within the public service. Is my colleague aware that some of that may be due to choice or the time factor involved in entry into the workforce? Is she aware there are far more women being allowed to enter grad school now than there are men? The

average wage coming out of university is equal if not slightly to the advantage of women.

Does she think women have the right to claim a choice if they do not want to work full time? Is that a right they have if they want to stay home with their families? Does she feel a woman should enter full time into the workforce and demand equal right for pay or can she choose to work less than that if she feels her priorities are elsewhere?

[*Translation*]

Mrs. Gagnon (Quebec): Mr. Speaker, I will answer my colleague's three questions. I would be interested in seeing the mini–survey of ethnic communities she says she conducted, because a survey is supposed to be scientific. I would also like to see from what perspective and in what order the questions were asked. We all know that survey results can vary greatly, depending on the way the question is asked and on the selection of participants.

Therefore, I am going to go back to the committee. We have heard a lot from ethnic communities, which all demand that the act be maintained, because they are one of the groups which has made the least progress. Therefore, I would like to see the mini–survey conducted by the hon. member, and we could perhaps analyze her constituents' answers scientifically. I would very much like to see it, but what I do know is that the ethnic communities which came before the committee said the opposite of what my colleague claims.

In reply to her second question, the percentages I quoted are from the Canadian public service which is already governed by the Employment Equity Act. I could bring to my colleague's attention that women are under–represented in management positions and that this was what drew my criticism. My colleague can cite other statistics, the widely accepted statistics still remain, and they lament the under–representation of women in management positions.

My colleague also raised the issue of a woman's choice to stay at home. I myself have nothing against a woman choosing to stay home and raise her children. I believe that it is not my place to dictate the daily lives of women. What I really want to see are balanced measures which promote the integration of various groups, which include women, and give them access to well–paid stable jobs and good working conditions. We all know that many women hold unstable jobs and that the expression "unstable job" means that they do not have access to their employer's benefit packages.

• (1530)

Thus, I could not agree more with women having the choice of staying home. However, should they decide to enter the workforce, both women and disadvantaged designated groups should be given every possible chance and access to measures permitting them to hold well–paid jobs and to be trusted and treated with respect by their employers.

[*English*]

The Acting Speaker (Mr. Kilger): In consultation with the table officers I understand the rotation has been shifted a few times today. With the greatest respect to all members, I am looking for a speaker from the party whose allotted day it is. If someone from that party is seeking the floor, I will recognize them and then I will go to the government.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I rise to speak today to the Reform Party's opposition day motion on employment equity.

The motion states:

> That this House deplore the government's employment equity policy as unnecessary, ineffective, costly, unpopular, intrusive, discriminatory and harmful to designated and non–designated groups; that this House recognize the equality of all Canadians by affirming that hiring and promotion be based solely on merit rather than on gender and race; and that discriminatory employment practices be more vigorously pursued on an individual, case by case basis.

The Reform Party approaches the issue of employment equity from this principle of the equality of all Canadians. We believe all Canadians are equal regardless of what personal characteristics they possess such as race, ethnicity, sex or what part of the country they live in.

We believe in the equality of opportunity in the marketplace but realize that equality will not necessarily result in equality of results. The concept of our government sponsored employment equity philosophy takes a much different approach.

It seeks to identify specific groups that ostensibly have been discriminated against and are therefore considered disadvantaged. Specifically, it has identified the four groups, women, aboriginal peoples, persons with disabilities and members of visible minorities.

I have a number of concerns about the concept of employment equity and about its practical implementation. I want to demonstrate employment equity as such is based on a number of flawed assumptions.

Of great concern to me is that the government purports to support the concept of the equality of all Canadians. Yet this very principle, employment equity, and its underlying philosophy fly directly in the face of the principle of true equality.

How can the principle of equality be respected if some groups are given preferential treatment in hiring, recruitment and promotion in the public or the private sector through employment equity laws and regulation?

This contradiction is best exhibited in the Canadian Charter of Rights and Freedoms, section 15(1):

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

This is a statement in our Constitution on the equality of our citizens and the prohibition of discrimination based on certain characteristics. Yet the contradiction to that philosophy of employment equity is revealed in the next section of the charter, section 15(2):

> Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

How can the charter of rights and freedoms recognize the equality of Canadian citizens on one hand and then turn around and state that principle of equality does not apply under certain circumstances?

• (1535)

Some argue employment equity is needed because certain portions of our population have been historically disadvantaged. Let me discuss that for a moment.

Prior to 1967 most immigration into Canada was from Europe and caucasian in character. Since that time our immigration patterns have changed, to the better I am sure. Many immigrants from all parts of the world are high wage earners. Most visible minorities in Canada, because of government policies, are either immigrants or children of immigrants. Going back to the original philosophy, how then can they be deemed at an historic disadvantage?

Surveys have shown some visible minority groups are among our highest wage earners. Also, many come from highly advantaged, educated backgrounds and yet are promoted and protected by the employment equity legislation. Conversely, other identifiable groups, ones not included in the visible minority category, have low incomes and may face real discrimination in the marketplace. They are left out of the legislation. They are deemed less than equal because they are not part of what is defined in this group.

The government purports to put forward the concept of numerical goals and employment equity and will go to the wall to say that never are these things to be deemed as quotas or affirmative action.

I will take a few moments to review some of the historical context of the present debate for it sheds much light on the intention and direction of the present legislation.

As early as 1979 the Canada employment and immigration commission established its affirmative action directive as an advisory tool to the department. Then in 1983 the hon. member for Windsor West, then President of the Treasury Board, introduced a mandatory program of affirmative action in the public service. Even at the outset there was a determined refusal not to admit to the real meaning of racially based job quotas. As we hear him say from those days: "The numerical goals we will be introducing as part of the affirmative action are not quotas". Those words are still said today but do they really mean anything?

Of special interest is the 1984 report of the federal royal commission. Judge Abella was the chair and the only member of the commission which produced the report entitled "Equality in Employment". In it the term employment equity appeared for the first time. Abella rejected the older phrase affirmative action on clearly pragmatic grounds.

I quote from the report her reason for using the new term: "No great principle is sacrificed in exchanging phrases of disputed definitions for newer ones that may be more accurate and less destructive of reasoned debate". Obviously a pragmatic choice of words, and for that reason the term employment equity was invented and the term affirmative action was tossed aside.

In addition, the phrase numerical goals used in employment equity legislation is really a euphemism for quotas. Bill C–64, which was recently debated by the human rights commission, incorporates numerical goals or quotas. Clause 10(1)(d) requires employers to incorporate quotas within the employment equity plan. This clause reads that an employer shall establish short term numerical goals for the hiring and promotion of persons in the designated groups in order to increase their representation in each occupational group in the workforce in which under–representation has been identified and sets out measures to be taken in each year to meet those goals.

Another illustration of the quota approach is the Treasury Board's annual report on employment equity in the public service. It outlines in some detail the philosophy of targets or quotas in all aspects of employment, in the recruitment, promotion and even the separation of employees from the employer. It is presented in pure numbers with percentages and totals broken down into a litany of categories. The problem with this approach is that the world is not so neatly configured. Numbers do not reflect the real world.

This leads to a third flat assumption of the employment equity philosophy. If these numerical goals or quotas are not met and consistent with the calculated diversity of our society it is therefore concluded there must be discrimination that is systemic in our society.

• (1540)

Let me discuss the concept of systemic discrimination. Underlying the Abella report and all subsequent legislation has been the conviction that racism in the form of systemic discrimination is rampant in our society.

Abella's report stated: "Non–whites all across Canada complained of racism. They undeniably face discrimination both overt and unjust". This report was from a commission that went across the country.

Who would present themselves to a committee such as that? Would people who are happy in their circumstance go out of their way to present? I do not think so. Perhaps even in this first statement of systemic discrimination we have a distortion.

Is Canada a racist country? Perhaps this would be the strongest argument for an affirmative action program as we see here. We have equity departments throughout the public service and the private sector and race relations councils where individuals come forward to attest to alleged discrimination and racism.

As I have mentioned, typically the people who come forward are self–selected individuals who address these committees. They are motivated by circumstance. Do we hear from the whole population? It is true racism does exist. I believe all societies have an element of racism to some degree. I also believe Canada is by far not the worst. Part of our opposition to this bill is in terms of guarding against a piece of legislation we believe would promote an attitude of racism in the sense of dividing people rather than bringing them together in our great society.

Is racism limited to only one race? Even as the media discusses this issue we hear the terms white and racist put together interchangeably. Even the term reverse discrimination which has been discussed today assumes discrimination goes only one way, from whites to non–whites. I reject that notion. If we look at racism in real terms it can be from one race toward any race. I do not think whites or other races have any particular claim to it.

Is racism real in Canada? It is an element in our society like in any other. Let me cite two reports. The Economic Council of Canada put out a report in 1991, "New Faces in a Crowd: Economic and Social Impacts of Immigration". It concluded Canada had been remarkably successful in assimilating immigrants from diverse backgrounds. It found there was no significant discrimination against immigrants and that tolerance toward immigrants was high and was found to be increasing.

Another report from the Economic Council of Canada in 1992, "Earnings of Immigrants: A Comparative Analysis", focused more on what immigrants were paid. It found unemployment among immigrants was actually lower than for Canadian born citizens. This report's central conclusion was there was no evidence of a systemic pay discrimination against immigrants on the basis of colour.

There is a necessity to recognize diversity in our society. The whole basis of employment equity rests on the raw numbers of diversity. It is argued it should be reflected in employment in the public sector and to a lesser extent in the private sector.

However, the diversity measured by employment equity is measured through a voluntary process called self–identification. Individuals must declare themselves as belonging to a particular group that makes them eligible for employment equity. This can be a very great problem with the proposed system. This information is accumulated primarily through the census of population data. For gender the process is a given, but the self–identification process begins to break down when determining who are visible minorities or who are persons with disabilities.

• (1545)

For instance, to determine if one is a member of a visible minority one has to go through a four–step process as defined by the employment equity data program established by Statistics Canada. Step No. 1: persons are asked which ethnic or cultural group their ancestors belonged to. They are even asked to mark or specify as many as applicable among 15 possible choices. Step No. 2: persons are asked in what country they were born; if Canada, what province or territory; if outside Canada, what other country. Step No. 3: a question is asked about the person's mother tongue. Step No. 4 attempts to group those the first three steps failed to classify.

The process is not foolproof. It does not produce accurate results. It is not precise. It is fully voluntary. Yet it is the foundation of employment equity.

The government uses self–identification for implementation of its employment equity in the public service and here too the process fails miserably. For example, a voluntary self–identification survey was recently sent to 1,700 employees of the House of Commons. Only 23 per cent returned the survey. What basis could the employer use to implement a policy such as employment equity?

There could be a number of other reasons that could explain alleged discrimination. Since self–identification is voluntary it will not be precise. The process, as I have mentioned, is not and should not be foolproof. There are social, cultural and educational explanations that may have an effect upon the disparities in society that have absolutely nothing to do with discrimination.

A glaring example of the inadequacies of the voluntary self–identification program were illustrated in a letter I read recently in the *Globe and Mail* of February 28. I would like to read part of it:

Your editorial Time for a Debate on Employment Equity—argues that "Canadians who oppose affirmative action must fight it through the ordinary political process".

But there is a more effective way to fight affirmative action. Those who oppose it should simply indicate on their workforce surveys that they belong to all of the designated groups. If even 10 per cent of those who oppose affirmative action were to do so, then virtually every workforce would be found to be adequately represented for employment equity purposes. This would release employers from the obligation to meet quotas, allowing them to hire the most competent applicants regardless of biology.

Current legislation does not define membership in the designated groups—indeed, membership is mostly subjective. Employers are obligated to accept employees' and applicants' self-identification as being correct. Moreover, workplace surveys are meant to be confidential, and Canadian human rights legislation prohibits employers from requiring employees or job candidates to prove their biological status. So sabotaging the employment equity bureaucracy in the way suggested is arguably not illegal and is certainly without risk to either employees or employers.

Thus the problems associated with a statistical base such as voluntary self–identification cannot be resolved. Therefore the whole basis and foundation for employment equity is seriously flawed and this certainly illustrates it.

The Reform Party believes in the true equality of all Canadians regardless of their personal characteristics. Public opposition to the bill is seen in the upcoming Ontario election where two old line parties have moved closer to our position on the issue.

The government would like us to believe that affirmative action, as it would have it, would eliminate barriers and combat a broad based disadvantage to certain groups. However, I believe that legislative quota programs like employment equity actually confer benefits or impose disabilities because of race and formally divide people into racial definitions and racial mindsets.

• (1550)

Some of the strongest opponents I have heard regarding the legislation have been those familiar with the realities of similar programs elsewhere, such as in South Africa.

Legislated employment equity suggests to everyone, including the individual involved, that the reason they got the job was their race or disability and not their ability or aptitude. Thus this kind of legislation cheapens the accomplishments and efforts of individuals. It degrades individuals by conferring on them a definition of victimhood. It separates Canadians into competing subgroups while putting unnecessary burdens on our national economy and on our good business practice sense.

We have a history of chequered motives and subversive citizenship. We have a program that is based on flawed assumptions of systemic discrimination. We have a denial of a basic principle of merit with the introduction of quotas and numerical goals and coercion and government interference through reports, fines and intrusive government practices.

Our position as a country will best be served in the global economy by market demands in the places of employment. Our future and unity as a country will be best assured by ensuring true equality of Canadians, not by job quotas but by the equality of the personhood and the real abilities of all Canadians.

In summary, employment equity is seriously flawed and conceptually flawed in practice. I encourage Canadians to express their views on employment equity and Bill C–64 with which Parliament is currently dealing.

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, first by way of comment, with respect to the witnesses who appeared before the Standing Committee on Human Rights and the Status of Disabled Persons, let it be recorded that a list was submitted by the Reform Party and many people on the list declined the invitation to appear before the committee. It was no fault of the committee.

Second, even at the last minute some witnesses cancelled out. That again was beyond the control of the committee studying the employment equity bill.

Third, the member said on the steering committee that we would look at this in committee of the whole. To now fret over it after the fact I leave to the imagination of the House.

The member said equality of opportunities may not necessarily lead to equality of results. That is right. However she failed to ask the question: What if the cost of the inability to lead to equality of results is systemic discrimination? Would the member agree that the best approach would not be on an individual case by case basis but a systemic approach such as legislation and policy initiatives of government?

The member kept on referring to preferential hiring. This is the myth one perpetuates if one would like one's political agenda to win, but it is not being honest with Canadians. To say that it should only be based on the principle of merit and qualifications as though people in designated groups, women, visible minorities, persons with disabilities and First Nations people have no qualifications and no merit.

Studies have shown that they have been discriminated against for decades. Why would the member continue to insist that numerical goals are the same as quotas? The bill before the Chamber states in subclause 30(1):

No compliance officer may give a direction under section 23 and no Tribunal may make an order under section 27 where that direction or order

(e) would impose a quota on an employer.

• (1555)

The bill is very clear that it is not about quota. If the Reform Party would only pose this question to the Canadian people, I am sure it would get the right answer.

Mrs. Hayes: Mr. Speaker, I am delighted to answer some of the questions.

I actually sat on the committee. I find it interesting the chair of the committee does not deny that 90 per cent of the witnesses supported the legislation and there were others who were asked. Of the 30-some people we suggested 4 came before the committee.

It may indeed have been the case that some could not come or that some cancelled out. We were not informed of that beforehand. The fact the government now indicates that 90 per cent of the committee supported legislation tells me it is using a number not representative of Canadians to support something for its own purposes. I find that objectionable. Those numbers do not reflect Canadian society.

There was a question asked about systemic discrimination. I find the term systemic discrimination quite objectionable. I tried in my speech to express that it is a word that supports the whole notion of employment equity but removes the necessity of proving there was any discrimination in a particular case.

It puts a blanket over a hiring practice. The claim of systemic discrimination allows an employer to discriminate against groups not within the group. It compares employees as a group with society as a group so that in individual cases there is no reality necessary in terms of discrimination. I do not believe discrimination is systemic. If there are individual cases of discrimination they should be brought forward as individual cases, as our motion states.

I did not deny there was merit in the categories included in the legislation. Our party has said that there has to be equality of opportunity. That means addressing education, advertising job positions equally and fairly and access to jobs for all groups designated or non–designated. Those are where government legislation and government initiatives should be taking place, not in determining the result.

As we give people access to these places, the marketplace will reflect the true reality of the Canadian people. That is what is important in the marketplace and for the good of the country.

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Fredericton—York—Sunbury.

I am pleased to rise today to address the motion put forward by my hon. colleague from Fraser Valley East. I cannot say I am surprised that the hon. member and his party have chosen to deplore the government's employment equity policy.

From the beginning of the hearings on Bill C–64, an act respecting employment equity, held by the Standing Committee on Human Rights and the Status of Disabled Persons the member and his party have been opposed to the principle and practice of employment equity. They have gone so far as to breach parliamentary tradition by going to the press with complaints about the bill before the beginning of clause by clause study of the bill by the committee.

Ostensibly the Reform Party was desperate to draw attention to its political agenda. Frustrated by the lack of media coverage of the press conference, it became more interested in dilatory tactics than substantive debate during clause by clause study of the bill.

I will now address point by point the motion before us. The Reform Party claims that employment equity is unnecessary. This could only be so if members opposite could show that the Canadian workplace proportionately reflects the demographics of qualified members of designated groups in the Canadian workforce: women, visible minorities, First Nations peoples and persons with disabilities. In fact documents show otherwise.

• (1600)

The Reform Party claims the policy is ineffective. A study done by the Conference Board of Canada on the impact of the existing legislation shows that the major impetus for employment equity initiatives by employers was the passage of the 1986 Employment Equity Act.

The Reform Party claims the policy is unpopular. I counter that witnesses before the committee studying the new employment equity legislation, representing thousands and thousands of Canadians, were nearly unanimous in their praise of the thrust and strength of the legislation.

Moreover, it should be noted that equity in employment is about justice, fairness, human decency and human dignity. Employment equity as a policy and as a law is for all and benefits all Canadians, workers and employers alike.

The Reform Party claims employment equity is intrusive. I would counter that more than 90 per cent of the witnesses that appeared before the committee welcomed the policy, welcomed the legislation and said that it made good business sense.

Employers which appeared as witnesses included the Canadian Bankers' Association, the Canadian Association of Broadcasters, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association and many more. Witnesses from labour included the Canadian Labour Congress, the Public Service Alliance, la Confédération des syndicats nationaux among others. Designated groups which appeared as witnesses included Women in Trades and Technology, the Assembly of First Nations, the Council of Canadians with Disabilities and the Canadian Ethnocultural Council among others. These wit-

nesses; employers, labour and designated groups, all welcomed the employment equity policy of the government.

It should be noted that the non–designated group continues to be hired and accounts for 55 per cent of the workforce according to the latest figures from Statistics Canada.

The Reform Party claims that employment equity is discriminatory. I counter that the bill explicitly aims to achieve equality. Equality is the antithesis of discrimination.

The purpose of this act "is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability". The purpose is clearly stated in clause 2 of Bill C–64. Therefore, I highly recommend that the Reform Party once more read the clause, if not the entire bill. In fact, discrimination in hiring and promotion is the very injustice the employment equity policy and the attendant legislation seek to redress.

The Reform Party moves that "this House recognize the equality of all Canadians by affirming that hiring and promotion be based solely on merit". I am pleased that at least on this score the Reform Party has it right. It pays once in a while for the Reform Party to heed government legislation and government advice.

Bill C–64, the employment equity legislation which is before the Chamber, specifically stipulates in clauses 6(b) and (c) that the obligation to implement employment equity does not require an employer to hire or promote unqualified persons and to ensure that merit is fulfilled.

The Reform Party claims that discriminatory employment practices could be more vigorously pursued on an individual case by case basis. That is the same type of logic which says, "We do not need more crime prevention; what we need is more police action after crimes are committed. Forget preventing crime, policing is all that counts. Catch the rascals and lock them up". In effect that is the logic of the Reform Party. However, I am pleased to say it is not the policy of the government. I am confident it is not the belief of the vast majority of Canadians.

• (1605)

I counter that a more appropriate approach where systemic barriers to fair hiring practices still exist would be by way of legislation and other government policy initiatives such as education and training as was indicated by the Reform Party. However, education and training alone are not enough.

Francine Arsenault, as chairwoman of the provincial organizations on the handicapped, once said:

> Disabled Canadians and other disadvantaged groups have worked long and hard to improve our appalling rate of representation in Canada's workplace. We have tried education and awareness programs. We have tried fostering goodwill, yet little has changed. The real causes of discrimination are not individuals but inflexible systems.

I pause here to call the minds and hearts of the Reform Party members to this observation in the hope that they will change their minds and hearts and withdraw the motion.

Employment equity legislation expresses the will of the government that equity in employment is a priority and a right for all Canadians qualified for a job, irrespective of race, gender, origin or presence of disability.

How ironic and unfortunate that the motion from the Reform Party has been introduced at this time when we are celebrating National Access Awareness Week. This is a week during which we specifically focus on the barriers which have prevented full participation of persons with disabilities in community life, including the workplace.

This is a week during which we reaffirm as a nation our belief in equality of opportunities and results for all. This is a week during which we resolve as a nation that we shall tear down the barriers that limit full participation of all persons and supply the necessary tools, including legislation, to facilitate equity in employment. I ask, where is the heart of the Reform Party?

I say to the Reform Party, fear not reverse discrimination, fear not employment equity policy, fear not employment equity legislation, but fear that equity in employment for women, visible minorities, First Nations people and persons with disabilities remains an elusive national dream.

In conclusion, Canada shall continue to aspire at all costs and work hard to realize this national dream.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, Canadians are not fools because they may not follow along with the presentation of my hon. colleague across the way.

A Gallup poll published in 1993 reflects on the comments this gentleman has made. It showed that 74 per cent of Canadians opposed government employment equity programs. The Ontario government advertised a job vacancy in a government newspaper with the explanation that the job competition was limited to the following employment equity designated groups. This is where Bill C–64 is going to take this country. The designated groups were aboriginal peoples, francophones, persons with disabilities, racial minorities and women. In other words, who is excluded? That was in a government advertisement. Is this where employment equity is going to take us?

I would like this member's comments on the following two studies. These studies were done in the labour market where it was clearly indicated that no discrimination took place. The first study was conducted by Arnold deSilva of the Economic Council of Canada. On page 34 of the study he concluded: "The evidence goes against the view that there is systematic discrimination against immigrants on the basis of colour". On page 37,

the summary concludes: "Persons who came from the third world regions but who arrived here young enough to obtain all their education and experience in Canada performed as well as native born Canadians in nearly all the cases". This study was conducted in 1992.

• (1610)

The results of another study by Daniel Boothman are: "The results of our job loss model show that women are less likely to lose jobs than men, all else being equal. Visible minority status had no significant effect on the probability of job loss".

Another point on page 50 states: "Being a woman increases the probability of promotion in the model. This effect is significant at the 10 per cent level. Visible minority status had no significant effect".

In the final statement: "In closing, this study found no strong evidence or a disadvantage for women and visible minorities in movement between jobs".

I would like to ask the member if he has studied and recorded these views in his presentation.

Mr. Pagtakhan: Mr. Speaker, Canadians cannot be fooled. I have faith in our people.

The Reform Party has to be sure it has seen the questionnaire, the subquestions and whether the explanations have been given very well. That not being done, I will not comment further on that point.

Second, he alluded to advertisements being posted limiting hiring to certain designated groups. This is against the Canadian Human Rights Act. This is not the intent of the legislation. Bill C–64 will not condone such advertising. If the member has knowledge of that he has an obligation to report it to the Canadian Human Rights Commission and file a proper complaint. I will be with him challenging that kind of advertising.

The last point is that there is no discrimination now in the workforce according to the study which I have not seen. I will admit for the sake of argument in his reading of this that there has been no discrimination against visible minorities. Let us assume for the sake of argument it is a statement of fact. He said the study was done in 1992. The present law was passed in 1986.

My conclusion is the law is working. Let us keep it to sustain positive equality in Canada.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is fairly evident from any survey of any group of people that there is no support for the government's bill among the population at large. Survey after survey comes back stating that 80 per cent of Canadians are opposed to bills of this type.

I ask the member who is the chairman of the committee specifically about some things that happened there. Could this be the reason why the government, in an agreement with the two opposition parties, decided to take the bill after first reading directly to committee?

The opposition parties thought there was going to be a fair opportunity to review the bill on a clause by clause basis. Once they got into committee they found that the chairman had decided that debate was going to be restricted to five minutes per clause which is completely out of touch with reality. Is this a fair and open way to study legislation or is it just a way for the government to slide things by so that the 80 per cent of Canadians who are opposed to this bill do not know that the government is sliding this one by them?

Mr. Pagtakhan: Mr. Speaker, there is a fundamental rule in law. If one relies on hearsay it is very dangerous. It is not my recollection that this member had attended a meeting of our committee. Perhaps I missed one.

Second, for him to say the chair decided on a five–minute limit to debate on clause by clause, please check the record.

Mr. Abbott: Liberal members decided.

• (1615)

The Acting Speaker (Mr. Kilger): Order. The time has expired for questions and comments. I would add that we are treading very close to the line in terms of dealing with the actual motion of the Reform Party today and the business of the committee of the House. I would like to remind members to be somewhat judicious. Resuming debate.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, it is an honour for me to participate in this debate today. I thank my colleague from Winnipeg North for sharing his time with me.

It is a great honour to rise in the House to respond to the motion put forward by the hon. member for Fraser Valley East which seeks to condemn the government for its policies in the area of employment equity, in particular Bill C–64. To be honest, I find the hon. member's motion hard to fathom since it flies in the face of two of the most cherished core values we hold as Canadians, justice and equality.

The member of the opposition is correct in one regard, namely that this government is deeply committed to assuring equality of opportunity for all Canadians. This should come as no surprise for our red book clearly states that we seek a country where all of us see ourselves as contributors and participants and not liabilities and dependants. It further underlines our commitment to building a Canada characterized by integrity, compassion and competence.

Cherishing those values as we do, it is little wonder we would support employment equity which is, after all, simply a tool for assuring fairness in daily life. That is what we seek to do in Bill C–64.

Why is the bill needed? While some progress has been made by the existing Employment Equity Act, recent statistics indicate that much remains to be done. 1993 actually saw the number of employees covered under the Employment Equity Act drop by 4.27 per cent. That is almost 26,000 people. Much of this was the result of the layoffs which flowed from the recent economic downturn from which we have just emerged. Sadly, members of the designated groups covered by Bill C–64 were often the hardest hit.

While the number of people in designated groups increased, fewer of them found themselves in the labour market. Among those who did, most did not see the wage gains and promotional opportunities enjoyed by other working Canadians.

Many women, aboriginal peoples, persons with disabilities and members of visible minorities still find themselves on the bottom rung of the economic and social ladder. Of course this is not just their problem. Rather, it is a problem for all of us since restricting their participation in the economic life of our country also damages the competitiveness of Canadian business.

It is increasingly obvious that a diverse workforce benefits companies by providing them with improved access to a greater number of qualified people. Indeed many businesses now realize that recruiting, promoting and retraining people who are representative of the Canadian population helps them provide better and more responsive client service since diverse experience and perspectives are a bonus, not a burden.

How does this bill present a balanced approach? Contrary to what the hon. member and other members of his party might think, the bill before us is not some piece of wild–eyed radicalism totally divorced from the realities of economic life. Rather it is a moderate and thoughtful document which seeks to promote equal opportunity in the workplace without imposing an onerous regulatory environment on businesses that are already hard pressed in the increasingly competitive global marketplace.

This balanced approach can be seen in all of the amendments contained in the bill. For instance, while the act seeks to encourage employers to address under–representation by members of designated groups, it does not require them to hire unqualified people, create new positions, create undue hardship or contradict the merit principle.

Likewise, it does not impose a quota system as has occurred in other jurisdictions. While we have listened to representatives of designated groups who have called for an effective enforcement mechanism, we have also listened to business representatives who have asked that we not bury them under a mass of new regulations and paper burden. We have developed a series of amendments which combine practicality with justice. As a result, we are all winners.

• (1620)

At the same time, many of the amendments contained in the bill represent little more than housekeeping. They will simply extend to the public sector those requirements which have already been placed on the private sector. This is only fair.

Finally, the act will broaden the mandate of the Canadian Human Rights Commission to allow it to conduct audits of public and private sector employers in order to verify and gain compliance with the act. Even here we are ensuring a balance with the establishment of the employment equity review tribunal.

Canadians are justly proud of the core values which are at the heart of our country. Central to our value system is a concern for ensuring equal opportunity and justice for all Canadians. The existing Employment Equity Act passed in 1986 has led to real progress in ensuring greater equality of employment. Still, much remains to be done. The act before us represents an important step forward in assuring that all Canadians can enjoy equal opportunity in employment and promotion. At the same time it seeks to provide a vital balance between idealism and economic reality.

The government's employment equity policies are not about intrusiveness, discrimination or adding to the cost burden to Canadian business as the hon. member's motion suggests. Rather they are about fairness, about the government's commitment to ensuring that every Canadian, regardless of gender, race or physical attributes has a chance to fulfil his or her potential, to get a rewarding job and to contribute to the social and economic well–being of Canada.

Employment equity is not an impediment to progress. It is a catalyst for progress in the workplace and a boost to the competitiveness of Canadian companies in an increasingly demanding global economy. Most of all, it is about putting into practice the values that make us Canadian: fairness, justice and equality for all. It is for this reason that I cannot support the motion, but I will be supporting the legislation before the House and would encourage all members to do likewise.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have a couple of questions for the member.

Obviously there is no time to get into the whole bill but he mentioned that numerical targets were not quotas, that we were not to worry because this was not about quotas.

Lyn McLeod said in the leader's debate with Bob Rae in Ontario on May 18 that numerical goals are quotas, pure and simple. I would like to know whether he agrees with the Liberal

leader of Ontario who says that numerical targets are merely a euphemism for quotas.

The RCMP do not call them quotas but this year the RCMP is hiring 426 people. One hundred and twenty-five will be from visible minorities, 125 will be females, 95 will be aboriginal and the rest can be from society in general. Does the hon. member think those are quotas or does he think they are something other than quotas? They sound like quotas to me.

I have just the two questions. Does he agree with Lyn McLeod and does he think the numbers I quoted from the RCMP sound like quotas?

Mr. Scott (Fredericton—York—Sunbury): Mr. Speaker, I am genuinely surprised by the inability of the member's party to address the question of the need for some collective redress to the lack of representation.

I am an Atlantic Canadian. We have always believed a little bit that in the nation we are on the outside. I have some sympathy for those people who feel that the power structures at play do not always work in their favour.

Everything I have read and have heard expressed by the member's party in terms of where they were born speaks to expressions like western alienation and so on. It seems to me there should be some affinity between the member and his party and those people for whom the system just does not work as well as it does for others. I think it is political posturing on the part of the member to draw in someone else's comments in some other debate.

• (1625)

Ultimately this is about a fundamental principle. We have to understand that the system does not work equally for everybody. I have heard it said by many people in the member's party that is the case and that therefore certain actions have to be taken. I find it unfortunate that a member representing a party that speaks of this often would deny the same access to people for whom the system obviously does not work as well as it does for someone like me, a seventh generation, white, male Canadian.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the hon. member has still left the question unanswered as to whether we have quotas or whether we are simply looking at loosely defined numerical goals.

I would like to enlarge on this just a little. I honestly believe that in areas where we have not had these kinds of programs, employment equity, quota systems, whatever you call it, that at least in the area where I come from in Alberta, the number of people employed in large organizations is roughly proportional to the number of people who are there from the different groups. It is just a rough observation which I think is true.

Mrs. Ringuette-Maltais: Through the eyes of the observer.

Mr. Epp: No, I am sorry, I believe it is true.

I would like the member to answer this question. Are quotas the same as numerical goals? If not, how are they different?

Mr. Scott (Fredericton—York—Sunbury): Mr. Speaker, I am quite familiar with the issue of quotas, targets and so on. In a previous life I was involved in the official languages policy in the province of New Brunswick. A lot of the attempts made here to try and characterize efforts to collectively address the systemic weakness are always characterized this way. There are always attempts to fix positions so they can then be thrown back in the face of the government.

The answer is no. There is an objective, you try to meet but it is not a quota.

The Acting Speaker (Mr. Kilger): The hon. member for Prince George—Peace River. I understand you will be splitting your time. Could you indicate that to the chair?

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I will not use the 20 minutes.

I welcome this opportunity to rise in debate and support the motion put forward by my hon. colleague from Fraser Valley East.

I am becoming more and more concerned about the direction in which the government is taking Canada. The Liberal government seems to think that it can legislate Canadian values and social change. History proves that imposed solutions do not gain broad acceptance. They are viewed with suspicion.

From the mail I receive, the mindset that dominates Ottawa's policy shifts does not appear to reflect the values or convictions of most Canadians living outside a few metropolitan centres. In fact, I am not even sure it reflects the views of most people living in Toronto or Ottawa.

This government is promoting the idea that society is responsible for what people do with their lives. Somehow personal achievement no longer has anything to do with individual merit, initiative or effort but has more to do with whether one falls into this government's definition of a group it has singled out for special treatment. This is a misguided attempt to right past wrongs. When I was young I was taught that two wrongs do not make a right. Evidently Liberals have not learned that lesson.

• (1630)

Reform believes in equality of opportunity. Given the same educational and employment opportunities, whether an individual succeeds should be largely up to them. Each person must

accept responsibility for what they choose to do with their life, be it pursuing a life of crime or having a lower standard of living while they put themselves through university. When they get out of school they have a right to expect equal treatment when they look for work. Preferential treatment on the basis of your skin colour is just as racist as discrimination. Employment equity is by definition discrimination and therefore against the law.

Social change cannot be legislated. Previous Liberal attempts at social engineering have been disastrous and have created greater divisiveness in Canadian society. Past Liberal legislation gave us multiculturalism which promotes our differences instead of our similarities. It makes us hyphenated Canadians and asks us to define ourselves in terms of skin colour, country of our ancestors or, if all other categorizations fail, language. We are not allowed to be just Canadian. The government does not believe such a person exists.

Now that multiculturalism has made us focus on our differences the government wants to institutionalize inequality and preferential treatment. It wants to further divide the workforce with a quota system that will replicate an artificial division of the Canadian people based on arbitrary characteristics unrelated to their ability to do the job. Equity is not equality.

The hon. member for Western Arctic said earlier today special treatment is not a departure from equality. How can special treatment of entire designated groups lead to equality? Special treatment by its very nature is not equality.

The same member said same treatment does not create equality. I agree with that but not for the same reasons she said. Canadians should be guaranteed equal opportunities. These include education, equal employment opportunities and the right not to be discriminated against for reasons unrelated to their qualifications.

As the member must agree, given her own achievements, even when we all receive the same treatment we do not all follow the same paths in life. We do not end up running a corner bakery or a multinational corporation, at least not all of us. We are different and we do not all share the same goals. Siblings end up in entirely different lines of work and levels of employment despite the same treatment. Equal opportunity does not always lead to equal results.

Every time the government decides there is a problem it tries to solve it with more government regulations and inappropriate misguided legislation. We see the same philosophy of over regulation in the Liberal approach to crime control. Instead of specifically targeting gun smugglers and criminals who misuse firearms the government will force all gun owners to register. This shotgun approach to problems does not work. It creates more jobs for bean counters while the government desperately hopes a criminal will register a gun or in the case of employment equity a prejudiced employer will incriminate themselves when filling out paper work.

I completely support the elimination of discrimination but we cannot legislate attitudes and we cannot create equality through legislation. Go after the law breakers. Do not make more rules and red tape that do not directly address the problem. Social engineering does not work.

Canadians want equality, not more groups with special rights and privileges. Canadians want to end discrimination, not extend it on a scale only the Liberal government could conceive. Canadians want to succeed based on their personal merit and achievements, not on the colour of their skin or some other arbitrary classification the government has decided on.

A policy of employment equity will lead to inequality. It will increase intolerance in our society and it will lead to greater misunderstandings between people. The elimination of intolerance and discrimination in society is a desirable objection.

I question the way the government is going about it. I see the end result as more intolerance. With employment equity how will anyone in a designated group ever be certain they got where they did because of their own efforts and hard work? Even if they know they earned every promotion and every raise, how do they convince jealous naysayers? When someone is bypassed for a promotion will they believe it is because the other person deserved it or will they blame employment equity? Will employers be forced to defend every decision they make?

• (1635)

With employment equity every promotion will be viewed with suspicion, whether it is because the person was in a designated group and other employees challenged their qualifications or because the person was not in a designated group and the government wants to know why the company did not promote a designated person instead.

Private industry should have the right to hire whomever it wants. However, I fully support prosecution where there is evidence of systemic discrimination. No one should face discrimination in the workforce. People should be hired and promoted on the basis of personal merit. While it is true we have not completely stamped out prejudice, there are other ways of dealing with unfair hiring practices besides enforcing a quota system. We should enforce laws which specifically target people who engage in discriminatory hiring practices or employment conditions.

By promoting employment equity the Liberal government has admitted it has no faith these designated groups can make it on merit alone and so it will coerce companies using quotas and monetary penalties. Will such measures lead to even more intolerance as a few disgruntled workers wrongly seize on employment equity as the reason they were bypassed for a raise they thought they deserved?

Once again the government is promoting disunity by highlighting differences instead of similarities. By forcing employees to self–identify as a member of a designated group the government perpetuates differences and, more important, the perception of differences. An employment equity program forces people to focus on the very things the government says it is trying to eliminate. We want our society to disregard characteristics not relevant to someone's ability to do their job, but the government wants employers to emphasize those characteristics as somehow related to whether someone should get a promotion.

Companies will begin to look at employees as a number on the way to fulfilling a particular quota, not as individual human beings with dreams, families and abilities which transcend the designation the Liberal government has imposed on them. As the hon. member for Halifax stated earlier today in the House, we cannot legislate attitudes. That is our point.

Canadians would support the elimination of discrimination and prejudice in the workplace but they cannot support a costly social engineering project which will institutionalize discrimination and promote employment opportunities based on physical attributes. Employment equity is not workable. It can lead only to more intolerance and misunderstanding.

It is reassuring to see the government's commitment to creating a fair job market. All Canadians want a level playing field on which excellence is promoted. However, a look at the government's current legislation shows a fundamental weakness. It stops one step short of the top. One would expect the government would seek to lead by example, so it is somewhat baffling that Bill C–64 applies to every government department except the office of the Prime Minister.

If the House really sees affirmative action as a way to promote excellence, one would think it would rush to embrace its application in the Prime Minister's office. The Prime Minister's office plays a large role not only in shaping the agenda of government and of Parliament but in shaping public opinion. If the government really believes affirmative action programs attract personnel of the highest calibre, it naturally follows the principles of Bill C–64 should apply to the Prime Minister's office.

Clause 4(1)(b) of the bill seeks to apply affirmative action to the portions of the Public Service of Canada set out in part I of schedule 1 to the Public Service Relations Act. Schedule 1 is a fairly inclusive list of government departments and agencies and includes the office of the governor general's secretary, which provides policy and program assistance in the office of His Excellency, the Governor General of Canada. It includes the privy council office, which provides policy advice and analysis to the office of the Prime Minister and to cabinet.

• (1640)

When I note Bill C–64 applies to the office of the governor general's secretary and to the privy council office, I am sure it must be simply an oversight that the Prime Minister's office is not covered.

Members will surely understand that if we intend to ensure the promotion of true equity in the workplace we must start at the top. If it is our goal to show Canadians that government now holds high the torch of equality, what better way than to apply Bill C–64 to the Prime Minister's office? Applying Bill C–64 to the Prime Minister's office would show all Canadians leadership truly starts at the top.

The Prime Minister's office could serve as an example to other departments in showing how an enlightened affirmative action program could contribute to an enhanced work environment, foster harmonious workplace relations and harness the benefits proponent of the increased employment diversity promise.

The application of Bill C–64 to the PMO would further produce a number of side benefits. It would give the Prime Minister a true hands on experience both in devising and implementing a productive affirmative action strategy in a medium sized $5.5–odd million office. The Prime Minister's office would get a true first hand view of the increased administrative burden, if any, caused by this act. That experience would undoubtedly prove useful if further amendments to this bill were ever needed. Further participation by the Prime Minister's office would give the Prime Minister enhanced credibility when selling Bill C–64 to Canadian employers.

The Prime Minister would get valuable insight into the practical benefits and, more important, the challenges of Bill C–64. It is so easy for Parliamentarians to pass a law that applies to everyone but ourselves. The business maxim of walk the talk speaks to the need for managers to roll up their sleeves and do some of the dirty work.

On one hand there is a real sense of leadership when one's boss shows he or she is willing to do the same job as the labourer or technician. More important, many company presidents and CEOs have found that actually spending a day in the shoes of the worker has exposed them to challenges and benefits of the line, so to speak, in very tangible ways. Therefore by way of analogy this proposal makes sound business sense.

Participation by the Prime Minister's office would show all Canadians who have experienced discrimination in employment that they have a friend at the top. Due to the bill's application to the Prime Minister's office all Canadians would see their government really believes in the right of the disadvantaged to participate in the workforce.

Earlier I mentioned how the Prime Minister's office plays a large role not only in shaping the agenda of government and of Parliament but in shaping Canadian public opinion. Given this,

the Liberals should amend the bill and give the disadvantaged an increased voice at the top which could play a vital role in reducing many of the so–called systemic barriers many Canadians face in the job market.

If they will not include the PMO what example are they showing? If the Prime Minister's office is to be spared, why not all private firms with budgets smaller than $5 million? How can we as politicians mandate change on Canadians which we would shirk from imposing on ourselves? How can we deal with this do as I say, not as I do attitude?

Without the practical experience of Bill C–64 working in the PMO how can we tell Canadian employers we are all working together? How can we reverse discrimination in the hearts of Canadians when the Prime Minister's office holds out a "not welcome here" sign?

Reformers believe this "not in my backyard" philosophy is a national curse. The House must show Canadians Bill C–64 has been well thought out, is well intended and will be well managed at every stage. Application of the bill to the Prime Minister's office might ensure that, or it might prove the opposite.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I really enjoyed the speech by the member for Prince George—Peace River.

It will be interesting to see if anybody grabs the bait. It was mentioned somewhat in committee, just tossed out as an idea. We will see if anybody picks up on the suggestion for the Prime Minister's office sometime between now and when the bill gets muscled through Parliament .Gratefully, I will not have to hold my breath on that one, I do not think.

• (1645)

I do have a couple of questions for the member. Earlier today we heard from the Secretary of State for Multiculturalism and Status of Women that she was offended that I would talk about hyphenated Canadians. The people opposite know that if any party is against the term hyphenated Canadians it is the Reform Party. We say all Canadians should be treated equally. We do not care whether you are a recent immigrant, third generation or an aboriginal person. We think all people should be treated equally. Definitely the idea of hyphenated Canadians is repugnant to us.

I would like to get the member's opinion and check on what the member is hearing back home in northern British Columbia. The last census of Canadians that StatsCan brought forward found there were over 700,000 Canadians who refused to identify themselves as anything other than Canadian. They would say: "I am not a hyphenated Canadian of any kind. I am just a Canadian".

An hon. member: Good for them.

Mr. Strahl: I was probably one of them on that census. I am sure that 700,000 and some refused to say: "I am an English Canadian, a French Canadian or a native Canadian". They just said: "I am Canadian. That is all that I am".

StatsCan is now going to change its forms to make sure this does not happen again. It is going to make sure Canadians put down an ethnic background so that we can get more statistical information on which to base things like employment equity.

In the member's riding in northern British Columbia do people there like to be known as Peace River Canadians, Prince George Canadians, or do they generally just approach it as straight, old Canadians? I would like the member's opinion on whether he thinks this trend is an up and coming thing in Peace River or whether it is kind of passé.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I constantly hear this question in my riding. I know it is a real source of irritation with Canadians in the riding of Prince George—Peace River. I suspect if we were to do a survey across the country we would find that people right across the nation find it offensive that they are required to document their lineage or history when they want to be classed as Canadians. They find it very demeaning.

That is why so many people will just put down Canadian, regardless of what type of form StatsCan may come up with. People are telling me they want to be classed as a Canadian. They are proud of their heritage and proud to be Canadian. This can be seen most predominantly with the new immigrants who came here recently and went through the process of getting their citizenship papers and becoming a citizen of Canada. Those people in particular do not want to be associated with the past. They want to be classed as Canadians. That is how they want to be thought of and treated. It is how they feel they should be treated when they apply for a job in the Canadian workforce.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I welcome the opportunity to debate employment equity today. I must admit I am somewhat confused that the subject has come before the House again today. It was only on April 6 that we debated a similar Reform Party motion.

Moreover, for well over a month, as the member proposing the motion well knows, the Standing Committee on Human Rights and the Status of Disabled Persons has been hearing testimony on the existing Employment Equity Act and on Bill C–64, a new act respecting employment equity. That draft legislation is about to return to the House for further consideration. Yet today the Reform Party has seen fit to raise employment equity again in the most contentious terms.

• (1650)

The Reform Party makes a serious error in its judgment, I believe, of the capacity of the Canadian people to appreciate a program that for eight years now has served to strengthen our social fabric. With Bill C–64 it will continue to do so but in a more fair and even–handed manner.

Let me first deal with several misrepresentations of the employment equity legislation that I have heard beginning the first thing this morning.

First, the member who introduced the motion today spoke about the false assumption on which employment equity is based, the assumption that somehow employers are systemically discriminatory and are bad. That is not at all the assumption on which the bill is based. I will be giving more concrete examples later, but the bill is based on the facts that certain people in our society have not had an equal opportunity in employment. They have tended to be employed and to remain in the lowest paying, least skilled jobs notwithstanding their abilities. They have not progressed as others in society have done.

Employment equity is about giving people an equal opportunity by not assuming motive but by simply asking employers to look at why that pattern exists in their workforce. If it does exist it asks what they can do to be more fair in making sure that everybody has an equal opportunity.

Second, the member recommended that individual cases could be settled through the courts and the human rights tribunal. That is like saying there is an outbreak of a certain epidemic in health care but we are going to solve that by sending each one of those people to hospitals to be cured on an individual basis and that we do not have to deal with the overall situation that is causing the individual's illness. That is an expensive, time consuming approach which does not solve the underlying problem but simply perpetuates it.

Third, there has been some discussion about group rights versus individual rights. When the facts indicate clearly to us that people are discriminated against, whether intentionally or not, and usually it is not intentionally, as a group, the only way an individual can have equal opportunity is if we address the fact that the group the individual belongs to is discriminated against.

The bill and the whole issue of employment equity is not about group rights. It is about individual rights. It is about recognizing that in our society certain groups, who happen to represent the majority by the way, have not had an equal opportunity. Until we solve the problem of disadvantages for the group, no individuals in that group, except by rare exception, are going to have an equal opportunity to fulfil their potential.

This is not about arbitrary division as that argument would have us believe. Employment equity is in fact about treating everybody not the same because everybody is not the same, but treating everybody equally. It is about getting rid of those divisions that say a certain kind of person is more suited to management or to certain positions in our society. It is about allowing people to flourish based on their own abilities and not the colour of their skin, the shape of their body or their origins.

Employment equity has been described as coercive in nature, as a setting of imposed quotas. I do not know if it is deliberate misrepresentation, total misunderstanding or total deafness because it has been explained often enough. Employment equity in Canada as it exists and as it is intended to apply now to the public service under the new legislation does not set quotas. It specifically prohibits quotas.

What it does do is it says to employers that there have been employment practices which have gone on for a long time. Unfortunately they have had discriminatory results, even though they were not intended to. We are asking employers to look at their employment practices. We are asking them to get rid of those things in their employment practices that are having discriminatory effects and that are tending to favour one kind of Canadian over others in terms of hiring, promotion, training opportunity, advancement and higher salaries.

• (1655)

The facts are indisputable that this is the situation for Canadian employment and for Canadian employers. I want to emphasize that all we are asking employers to do under employment equity is to look at their own situation, to do a self–examination and to say that they would like to do better, to show where they would like to do better and how they are going to do it.

Quotas are the American model which we have specifically turned our backs on as Canadians. Quotas are enforced from the outside and imposed from the outside. That is not what employment equity in this country is about.

An hon. member: It is in the RCMP.

Ms. Catterall: It has been said by the other side that people will feel stigmatized. Let me respond to that. Somebody just referred to hiring in the RCMP. An earlier speaker laid out all kinds of figures and asked for a response.

The fact is that in the year the member quoted, and the member knows that very well because the information was given to him by the human rights commissioner, 65 per cent of hirings in the RCMP were white, able bodied males even though they are not even half of the Canadian population. Of course the member chose not to use that figure. Two–thirds of hirings continue to be white, able bodied males which members on the other side have tended to suggest in today's debate are going to be disadvantaged by employment equity.

Another point which has been made by the opposite side is that people will feel stigmatized. People feel stigmatized right now. People feel stigmatized when they come into a job in the public service with the best qualifications and after 25 years have not progressed.

People feel stigmatized when they are in clerical positions, 80 per cent of which are occupied by women. They see that women do not even rise to the upper levels of the clerical category. They are bypassed by others who are no more qualified but just happen not to be female.

People feel stigmatized by the current situation which does not allow them to be hired, promoted or given advancement opportunities on the basis of their merit. They see themselves categorized and kept at a lower level because they do not fit the traditional model of who will succeed in our society.

Finally, I come to the matter of merit. Employment equity is not the denial of the merit principle but the fulfilment of the merit principle. The legislation the committee has been dealing with is very clear about this. People should be hired solely on the basis of merit. Employment should be colour blind, gender blind and size blind. It should only look at what a person is capable of doing.

The facts are clear that has not been the pattern in Canadian employment. Let me give some facts. Members of the designated groups continue to be at a distinct disadvantage in the workplace. Far from being a threat to those who complain of reverse discrimination, women, aboriginal peoples, visible minority members and persons with disabilities still lag far behind in initial hiring, promotion opportunity and pay rates.

In March, Statistics Canada reported that the primary reason women earn far less money than men, just 78 per cent of what their male colleagues earn, is blatant discrimination. Even factoring in work experience, education and demographics, there is no explanation for the wage gap other than gender bias.

What other than prejudice can explain the fact that persons with disabilities experience an unemployment rate twice the national average? Is it less qualification or less education? No, it is not. The unemployment rate of persons with disabilities with university degrees is more than twice that of white males with the same qualifications.

• (1700)

These are facts I know the other side does not want to hear but it will hear them. Even among those who are working the perception seems to be that people with disabilities are capable only of clerical, sales and service jobs. Eighteen per cent of university educated, physically challenged workers are in those occupations compared with just 11 per cent of white, able bodied males with university degrees.

Statistics show there are many qualified members of designated groups. Visible minorities are better educated than Canadians in general, not less educated. Eighteen per cent have at least a university degree compared with 11 per cent of the Canadian population.

While visible minorities represent 8.8 per cent of the population over 15 years of age, in 1990 they accounted for almost 11 per cent of the university graduates. They earned 13 per cent of the masters degrees, 20 per cent of the doctorate degrees and yet too few of these highly educated, highly skilled potential workers are offered jobs. Their hiring rates have actually decreased steadily since 1990 from 10.4 per cent to just 8.4 per cent. Last year in the public service alone 11 per cent of applicants were a visible minority but represented only 2.7 per cent of hirings.

Aboriginal people, surely among the most disadvantaged of any group, are also too often shut out of the job market. Despite the fact that more aboriginal people than ever before are university educated their unemployment rate stands at 7 per cent, almost double the rate for white males with university degrees.

These are the tip of the iceberg of the statistics that could be quoted today. It is interesting that the vast majority of those who testified before the standing committee, including employers who have been under the Employment Equity Act for eight years now, describe employment equity as a sensible and balanced measure. Even the few who oppose the draft legislation did not resort to the sort of inflammatory and misrepresentational language found in this resolution and in the debate.

Canadians do have an excellent understanding of what equality is all about. They appreciate that for there to be a harmonious and well balanced society all its members must have an opportunity to contribute as well as share in the benefits. That is what employment equity is all about.

[*Translation*]

The justification behind employment equity is that it permits people to be given equal consideration when employment possibilities arise. Its aim is not to give privilege or advantage to anyone in the selection of candidates for employment. To say otherwise indicates a complete misunderstanding of the principles concerned and the way it works.

[*English*]

The fundamental aim of employment equity is to ensure no one is denied access to a fair chance at employment and promotion opportunities for reasons unrelated to abilities. To claim otherwise represents either a serious misunderstanding or a deliberate misrepresentation.

Employment equity exists to identify current disadvantages in the employment system for the benefit of all Canadians and to provide fair and equal employment opportunities. To pretend fairness and equality are fully operational in employment in Canada today is simply to ignore the facts.

Employment equity seeks to achieve the diversity in the workplace found in society. That involves the removal of barriers to employment opportunities. These barriers are most often not deliberate and are frequently buried in systems and long standing practices. Employment equity seeks to eliminate what is called the adverse effect which flows from conditions of requirements for employment that are not necessary and not intended to discriminate but do have a discriminatory effect.

• (1705)

The other aspect of employment equity is to put in place measures which encourage equitable access to opportunities for employment and advancement. This may mean training positions so those who are disadvantaged can compete on an equal footing. It is important for sound management that full use be made of all human resources available.

Unfortunately what we have been doing by having a less than equitable workplace both in the private sector and in the public sector is denying the Canadian economy and the public service the opportunity for the very best to be hired, to be trained, to be developed, to serve in the highest positions they can and to provide the very best to the private sector and the public sector so that both can excel.

[*Translation*]

We must remember that the make–up of Canada's labour force is in a state of constant flux. Major demographic changes are helping to create an increasingly heterogenous labour force. Women, native people, people with a disability and members of visible minorities now represent the vast majority of new arrivals on the labour market.

[*English*]

If we are not making full use of the full diversity of our growing workforce, we are handicapping ourselves as a nation. It has been convincingly demonstrated that diversity in the workplace makes good business sense. Witnesses who appeared before the human rights committee reasserted this; witnesses who found employment equity to be an advantage to them in improving their human resources practices. Experts have long considered workforce diversity as a competitive advantage in today's global economy. It leads to increased productivity. It is to the benefit of companies and governments to remove the barriers to the full development of diversity in the workforce.

As I said earlier, it is important to remember that although we tend to speak of diversity in terms of groups the focus is on the individual. It is not the group which is recruited as a filing clerk, it is the individual. However it is not necessarily the individual who is denied promotion opportunities. The individual may be constrained because they happen to belong to a particular group. Surely we all want to change that in society and in our places of employment.

[*Translation*]

Mr. Speaker, the hon. member's motion presupposes that employment equity follows selection on the basis of criteria other than merit. Allow me to state that this is not the case.

[*English*]

This is about a truly merit based system. For 75 years we have prided ourselves in this country and in our public service on having a merit based system designed to ensure people are hired based on their ability to do the job. Had we had a truly merit based system we would not have to worry about employment equity.

I will be happy when we no longer need an employment equity law. I will be happy when I can say that anybody has a fair and equal opportunity to compete based only on their ability to do the job. Unfortunately that is not the kind of world we have and certainly not the kind of public service we have. That is why I believe it is important to expand the Employment Equity Act.

Really that is what is being done. We are not introducing anything new. We are making some administrative changes to employment equity. The big thing we are doing is applying it to the public service. That is only fair and just.

• (1710)

The Acting Speaker (Mr. Kilger): I remind members if they want to seek the floor they should be in their own seats.

It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Davenport—the environment.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I am quite interested that the governing party is so persistently raising the question of the majority of testimonials its bill has received in committee. This sounds more like an admission. These witnesses are supposed to be more or less balanced. Members have been saying they padded their witness list, which we knew, but it is very interesting to hear it brought out in the House and emphasized in that way.

This pedigreed Heinz 57 Canadian looks somewhat askance at Bill C–64. It has its origin in the noblesse oblige of middle class, predominantly lily white Canadians who know what is best for everybody.

It certainly does not fit the viewpoint of some notable Canadians like Neil Bissoondath or Dr. Rais Khan or some not so new Canadians like Sammy Chung. It seems to fit the viewpoint of the Liberal government and too many people from any other part of society. It is condescending, patronizing and infers people in designated groups have less merit than non–designated persons and therefore cannot make it on their own. That is reprehensible.

I have two questions for the hon. member. Did she in private life and does she here now in her own office consciously practise employment equity? Does she accept what appears to be the standard Liberal philosophy that the best government is that which interferes most in the lives of ordinary Canadians?

Ms. Catterall: Mr. Speaker, when I was asked that question on the last Statistics Canada census under ethnic origin I put mongrel.

I do practise employment equity in my office. It is pretty hard when it is only three and a half people. The young man in my office said: "I am glad we do not have employment equity around here or I would not have a job". I said: "I should explain to you that I was looking around for a young man because I felt I have had a predominance of women in my office for some time and so you are the result of affirmative action".

The member fails to understand that I believe in the fundamental Liberal principle of the dignity and right of each human being to be considered on their merits and to be respected for themselves. I do not see that happening necessarily in employment. I see very capable people for reasons that have nothing to do with their qualifications or abilities not having the opportunity.

When I was on city council I asked our bus company why bus drivers had to be six feet tall. It said it was so they could reach the pedal. I said that meant most women could not qualify, most orientals could not qualify and no short person could qualify. That was pretty discriminatory. I asked what height had to do with it when what it wanted was someone who could reach the pedal; why not find out if a person could reach the pedal instead of measuring how tall they are. We changed that because it made sense to change it. Until then we had made sure a lot of very good bus drivers never had a chance to get hired.

The same kind of false criteria for policing have made sure a lot of very capable Canadians never had the opportunity to be police officers. It is about getting rid of those kinds of attitudes which have not allowed people to be considered on their merits.

The Acting Speaker (Mr. Kilger): It being 5.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply, pursuant to Standing Order 81.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

Call in the members.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 224)

YEAS

Members

Abbott
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Duncan
Frazer
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Johnston
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Morrison
Ramsay
Silye
Speaker
Strahl
White (Fraser Valley West)—41

Ablonczy
Bridgman
Cummins
Epp
Gilmour
Grey (Beaver River)
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jennings
Manning
Mayfield
Mills (Red Deer)
Penson
Schmidt
Solberg
Stinson
Wayne

NAYS

Members

Allmand
Arseneault
Assadourian
Augustine
Bachand
Beaumier
Bellemare
Bernier (Mégantic—Compton—Stanstead)
Bevilacqua
Blaikie
Bodnar
Brien
Brushett
Bélair
Bélisle
Calder

Anderson
Assad
Asselin
Axworthy (Winnipeg South Centre)
Barnes
Bellehumeur
Bernier (Gaspé)
Bethel
Bhaduria
Blondin–Andrew
Boudria
Brown (Oakville—Milton)
Bryden
Bélanger
Caccia
Campbell

Cannis	Caron
Catterall	Cauchon
Chamberlain	Chrétien (Saint-Maurice)
Clancy	Cohen
Collenette	Collins
Comuzzi	Copps
Cowling	Crête
Culbert	Dalphond-Guiral
Daviault	de Jong
de Savoye	Deshaies
DeVillers	Dhaliwal
Dingwall	Discepola
Dromisky	Duhamel
Dupuy	Easter
Eggleton	English
Fewchuk	Finestone
Finlay	Flis
Fontana	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Gallaway	Gauthier (Roberval)
Godin	Graham
Gray (Windsor West)	Grose
Guay	Guimond
Harb	Harvard
Hickey	Hubbard
Irwin	Jackson
Jacob	Jordan
Karygiannis	Keyes
Kirkby	Knutson
Kraft Sloan	Lalonde
Langlois	Lastewka
Laurin	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
MacAulay	MacDonald
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Marchand
Marchi	Martin (LaSalle—Émard)
Massé	McCormick
McGuire	McKinnon
McLaughlin	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mercier	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murray	Ménard
Nunez	Nunziata
O'Brien	Pagtakhan
Paradis	Parrish
Paré	Patry
Payne	Peric
Peters	Peterson
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Pillitteri
Plamondon	Pomerleau
Reed	Regan
Richardson	Rideout
Riis	Ringuette-Maltais
Robichaud	Robillard
Rocheleau	Rock
Sauvageau	Scott (Fredericton—York—Sunbury)
Serré	Shepherd
Sheridan	Simmons
Skoke	Solomon
Speller	St-Laurent
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Terrana
Tobin	Torsney
Tremblay (Rosemont)	Ur
Vanclief	Venne
Volpe	Walker
Wappel	Whelan
Wood	Young
Zed—183	

PAIRED MEMBERS

Bakopanos	Bergeron
Bonin	Bouchard
Canuel	Chan
Chrétien (Frontenac)	Crawford
Debien	Dubé
Duceppe	Dumas
Fillion	Fry
Gaffney	Gerrard
Godfrey	Landry
Lavigne (Beauharnois—Salaberry)	Lee
Lefebvre	Loubier
MacLaren	Marleau
Murphy	Ouellet
Tremblay (Rimouski—Témiscouata)	Valeri

● (1745)

The Acting Speaker (Mr. Kilger): I declare the motion lost.

Mr. Ianno: Mr. Speaker, I rise on a point of order. I would have voted with the government.

[*Translation*]

ALLOTTED DAY—QUEBEC'S FINANCIAL DEMANDS

The House resumed from May 18 consideration of the motion that this House deplore the federal government's delay in responding to Quebec's demands with regard to the education of young Aboriginals in the Quebec North amounting to $119 million, to the compensation of $135 million under the 1991-92 stabilization program and to the $79 million claim for expenses incurred during the events at Oka in the summer of 1990.

The Acting Speaker (Mr. Kilger): Pursuant to the order adopted Thursday, May 18, 1995, the House will now proceed to the taking of deferred division on the motion by Mr. Bernier (Mégantic—Compton—Stanstead) regarding the business of supply.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 225)

YEAS

Members

Asselin	Bachand
Bellehumeur	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Brien
Bélisle	Caron
Crête	Dalphond-Guiral
Daviault	de Savoye
Deshaies	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Guimond
Jacob	Lalonde
Langlois	Laurin
Lebel	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Marchand
Mercier	Ménard
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Rocheleau
Sauvageau	St-Laurent
Tremblay (Rosemont)	Venne—38

NAYS

Members

Abbott	Ablonczy
Allmand	Anderson
Arseneault	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Barnes
Beaumier	Bellemare
Bethel	Bevilacqua
Bhaduria	Blaikie
Blondin–Andrew	Bodnar
Boudria	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélanger	Caccia
Calder	Campbell
Cannis	Catterall
Cauchon	Chamberlain
Chrétien (Saint–Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Culbert	Cummins
de Jong	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Duncan
Dupuy	Easter
Eggleton	English
Epp	Fewchuk
Finestone	Finlay
Flis	Fontana
Frazer	Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)	Gallaway
Gilmour	Gouk
Graham	Gray (Windsor West)
Grey (Beaver River)	Grose
Grubel	Hanger
Hanrahan	Harb
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
Harvard	Hayes
Hermanson	Hickey
Hill (Prince George—Peace River)	Hoeppner
Hubbard	Ianno
Irwin	Jackson
Jennings	Johnston
Jordan	Karygiannis
Keyes	Kirkby
Knutson	Kraft Sloan
Lastewka	Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lincoln
Loney	MacAulay
MacDonald	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Manning	Marchi
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
Massé	Mayfield
McClelland (Edmonton Southwest)	McCormick
McGuire	McKinnon
McLaughlin	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mifflin	Milliken
Mills (Broadview—Greenwood)	Mills (Red Deer)
Minna	Mitchell
Morrison	Murray
Nunziata	O'Brien
Pagtakhan	Paradis
Parrish	Patry
Payne	Penson
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Ramsay	Reed
Regan	Richardson
Rideout	Riis
Ringuette–Maltais	Robichaud
Robillard	Rock
Schmidt	Scott (Fredericton—York—Sunbury)
Serré	Shepherd
Sheridan	Silye
Simmons	Skoke
Solberg	Solomon
Speaker	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Stinson	Strahl
Szabo	Terrana
Tobin	Torsney
Ur	Vanclief
Volpe	Walker
Wappel	Wayne
Whelan	White (Fraser Valley West)
Wood	Young
Zed—187	

PAIRED MEMBERS

Bakopanos	Bergeron
Bonin	Bouchard
Canuel	Chan
Chrétien (Frontenac)	Crawford
Debien	Dubé
Duceppe	Dumas
Fillion	Fry
Gaffney	Gerrard
Godfrey	Landry
Lavigne (Beauharnois—Salaberry)	Lee
Lefebvre	Loubier
MacLaren	Marleau
Murphy	Ouellet
Tremblay (Rimouski—Témiscouata)	Valeri

• (1755)

The Acting Speaker (Mr. Kilger): I declare the motion negatived.

GOVERNMENT ORDERS

[*English*]

BUSINESS DEVELOPMENT BANK OF CANADA ACT

The House resumed from May 29 consideration of the motion.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on the motion that Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to ask it, I think you would find unanimous consent for the members who voted on the previous motion to be recorded has having voted on the motion now before the House in the following manner: Liberal members will be recorded as voting yea.

Mr. Laurin: Mr. Speaker, Bloc members will be voting nay.

[*English*]

Mr. Silye: Mr. Speaker, the Reform Party members vote no, except for those members who wish to vote otherwise.

Mr. Solomon: Mr. Speaker, members of the New Democratic Party vote yes on this motion.

Mr. Silye: Mr. Speaker, I misread the box in which I had the answer. The Reform Party votes yea, not nay, except for those members who wish to vote otherwise.

Mrs. Wayne: I vote yea, Mr. Speaker.

Mr. Bhaduria: I vote yea, Mr. Speaker.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 226*)

YEAS

Members

Abbott
Allmand
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Beaumier
Bethel
Bhaduria
Blondin–Andrew
Boudria
Bridgman
Brown (Oakville—Milton)
Bryden
Bélanger
Calder
Cannis
Cauchon
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Culbert
de Jong
Dhaliwal
Discepola
Duhamel
Dupuy
Eggleton
Epp
Finestone
Flis
Frazer
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gilmour
Graham
Grey (Beaver River)
Grubel
Hanrahan
Harper (Calgary West)
Harris
Harvard
Hermanson
Hill (Prince George—Peace River)
Hubbard
Irwin
Jennings
Jordan
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacDonald
Malhi
Manning
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McGuire
Ablonczy
Anderson
Assad
Augustine
Barnes
Bellemare
Bevilacqua
Blaikie
Bodnar
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélair
Caccia
Campbell
Catterall
Chamberlain
Clancy
Collenette
Comuzzi
Cowling
Cummins
DeVillers
Dingwall
Dromisky
Duncan
Easter
English
Fewchuk
Finlay
Fontana
Gagliano
Gallaway
Gouk
Gray (Windsor West)
Grose
Hanger
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hoeppner
Ianno
Jackson
Johnston
Karygiannis
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Martin (LaSalle—Émard)
Mayfield
McCormick
McKinnon
McLaughlin
McTeague
Mifflin
Mills (Broadview—Greenwood)
Minna
Morrison
Nunziata
Pagtakhan
Parrish
Payne
Peric
Peterson
Pickard (Essex—Kent)
Ramsay
Regan
Rideout
Ringuette–Maltais
Robillard
Schmidt
Serré
Sheridan
Simmons
Solberg
Speaker
St. Denis
Stewart (Brant)
Stinson
Szabo
Tobin
Ur
Volpe
Wappel
Whelan
Wood
Zed—187
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mills (Red Deer)
Mitchell
Murray
O'Brien
Paradis
Patry
Penson
Peters
Phinney
Pillitteri
Reed
Richardson
Riis
Robichaud
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Skoke
Solomon
Speller
Steckle
Stewart (Northumberland)
Strahl
Terrana
Torsney
Vanclief
Walker
Wayne
White (Fraser Valley West)
Young

NAYS

Members

Asselin
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Bélisle
Crête
Daviault
Deshaies
Gauthier (Roberval)
Guay
Jacob
Langlois
Lebel
Leroux (Shefford)
Mercier
Nunez
Picard (Drummond)
Pomerleau
Sauvageau
Tremblay (Rosemont)
Bachand
Bernier (Gaspé)
Brien
Caron
Dalphond–Guiral
de Savoye
Gagnon (Québec)
Godin
Guimond
Lalonde
Laurin
Leroux (Richmond—Wolfe)
Marchand
Ménard
Paré
Plamondon
Rocheleau
St–Laurent
Venne—38

PAIRED MEMBERS

Bakopanos
Bonin
Canuel
Chrétien (Frontenac)
Debien
Duceppe
Fillion
Gaffney
Godfrey
Lavigne (Beauharnois—Salaberry)
Lefebvre
MacLaren
Murphy
Tremblay (Rimouski—Témiscouata)
Bergeron
Bouchard
Chan
Crawford
Dubé
Dumas
Fry
Gerrard
Landry
Lee
Loubier
Marleau
Ouellet
Valeri

The Acting Speaker (Mr. Kilger): I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Industry.

* * *

ROYAL CANADIAN MINT ACT

The House resumed from May 29 consideration of the motion that Bill C–82, an act to amend the Royal Canadian Mint Act, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on the second reading stage of Bill C–82, an act to amend the Royal Canadian Mint Act.

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent for the members who voted on the previous motion to be recorded as having voted on the motion now before the House, with Liberal members voting yea.

[*Translation*]

Mr. Laurin: Mr. Speaker, the Bloc members will vote against this bill.

[*English*]

Mr. Silye: Mr. Speaker, Reform Party members vote nay, except for those members who wish to vote otherwise.

Mr. Solomon: Mr. Speaker, members of the New Democratic caucus present today vote yea on this matter.

Mrs. Wayne: Mr. Speaker, I vote nay.

Mr. Bhaduria: Mr. Speaker, I vote yea.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 227*)

YEAS

Members

Allmand
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Beaumier
Bethel
Bhaduria
Blondin–Andrew
Boudria
Brushett
Bélair
Caccia
Campbell
Catterall
Chamberlain
Clancy
Collenette
Comuzzi
Cowling
de Jong
Dhaliwal
Discepola
Duhamel
Easter
English
Finestone
Flis
Gagliano
Gallaway
Gray (Windsor West)
Harb
Hickey
Ianno
Jackson
Karygiannis
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Martin (LaSalle—Émard)
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Murray
O'Brien
Paradis
Patry
Peric
Peterson
Pickard (Essex—Kent)
Reed
Richardson
Riis
Robichaud
Rock
Serré
Sheridan
Skoke
Speller
Steckle
Stewart (Northumberland)
Terrana
Torsney
Vanclief
Walker
Whelan
Young
Anderson
Assad
Augustine
Barnes
Bellemare
Bevilacqua
Blaikie
Bodnar
Brown (Oakville—Milton)
Bryden
Bélanger
Calder
Cannis
Cauchon
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Culbert
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Graham
Grose
Harvard
Hubbard
Irwin
Jordan
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacDonald
Malhi
Marchi
Massé
McGuire
McLaughlin
McTeague
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Nunziata
Pagtakhan
Parrish
Payne
Peters
Phinney
Pillitteri
Regan
Rideout
Ringuette–Maltais
Robillard
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
Solomon
St. Denis
Stewart (Brant)
Szabo
Tobin
Ur
Volpe
Wappel
Wood
Zed—146

NAYS

Members

Abbott
Asselin
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Bridgman
Brown (Calgary Southeast)
Caron
Cummins
Daviault
Deshaies
Epp
Gagnon (Québec)
Gilmour
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Lalonde
Laurin
Leroux (Richmond—Wolfe)
Ablonczy
Bachand
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Brien
Bélisle
Crête
Dalphond–Guiral
de Savoye
Duncan
Frazer
Gauthier (Roberval)
Godin
Grey (Beaver River
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jacob
Johnston
Langlois
Lebel
Leroux (Shefford)

Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	Mercier
Mills (Red Deer)	Morrison
Ménard	Nunez
Paré	Penson
Picard (Drummond)	Plamondon
Pomerleau	Ramsay
Rocheleau	Sauvageau
Schmidt	Silye
Solberg	Speaker
St-Laurent	Stinson
Strahl	Tremblay (Rosemont)
Venne	Wayne
White (Fraser Valley West)—79	

PAIRED MEMBERS

Bakopanos	Bergeron
Bonin	Bouchard
Canuel	Chan
Chrétien (Frontenac)	Crawford
Debien	Dubé
Duceppe	Dumas
Fillion	Fry
Gaffney	Gerrard
Godfrey	Landry
Lavigne (Beauharnois—Salaberry)	Lee
Lefebvre	Loubier
MacLaren	Marleau
Murphy	Ouellet
Tremblay (Rimouski—Témiscouata)	Valeri

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Motion agreed to, bill read the second time and referred to a committee.)

[*Translation*]

The Acting Speaker (Mr. Kilger): It being 6 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADIAN HUMAN RIGHTS ACT

Mr. Pierre de Savoye (Portneuf, BQ) moved that Bill C–248, an act to amend the Canadian Human Rights Act, the Canada Labour Code and the Public Service Employment Act (whistleblowing), be now read the second time and referred to a legislative committee.

He said: Mr. Speaker, the purpose of Bill C–248 is to protect against retaliation employees acting in good faith and in the public interest who report reprehensible practices by their employers, particularly when public health and safety are at issue.

This bill applies solely to public sector employees under federal jurisdiction. It is based on two fundamental principles.

• (1805)

The first principle is to encourage federal public servants to report institutional or individual actions or practices that would

cause a specific and substantial danger or prejudice to public health, safety or welfare, or entail considerable or unjustified public spending.

[*English*]

The second principle without which the first one cannot be serviced is the protection of employees against employers' reprisal measures in retaliation for disclosures done in accordance with the bill's provisions.

[*Translation*]

Implementing the two principles underlying this bill requires a dual mechanism. The legislation must provide, first, for the filing of complaints and then, of course, for the protection of employees. To that end, Bill C–248 proposes an amendment to the Canadian Human Rights Act that would give the commission responsible for enforcing this act the power to receive and examine complaints of illicit practices and to rule on their admissibility.

In addition, Bill C–248 would empower the commission to cancel any retaliatory action by an employer against a whistleblower acting in good faith.

[*English*]

Bill C–248 answers the expectations of Canadian citizens and of many Canadian organizations.

[*Translation*]

The people want the federal government to reduce waste and end all illicit practices. To them, it is a matter of government openness and federal institutional ethics.

Allow me to quote from the 1995 auditor general's report: "Canadians are concerned about integrity in government and they have the right to expect the highest ethical standards in their governments. Leadership by members of Parliament, ministers, and deputy ministers is critical to maintaining ethical standards and performance in government".

And the auditor general adds, and I quote: "If Canadians do not trust their governments to act ethically, governments will find that their actions have less and less legitimacy and effectiveness. Thus, we believe that it is important to discuss the ethics in government and to take action to maintain and promote ethics in government".

You can see why Bill C–248 now before us is a good bill for the government, for its employees and particularly for the public. I would like to comment briefly on the various clauses of the bill.

Let us first consider the first six clauses of the bill. The purpose of these provisions is to amend the Canadian Human Rights Act. Clause 1 would add a new provision to the Canadian Human Rights Act, by which it would become a discriminatory practice to discharge, suspend or impose a financial penalty on an employee, or to directly or indirectly differentiate adversely

in relation to an employee in retaliation for a disclosure in connection with a complaint made in good faith by the employee pursuant to the provisions of our bill.

The same clause also suggests that an employee shall be presumed not to act in good faith where, in making a disclosure, the employee violates any act of Parliament or rule of law protecting privileged communications, unless the employee can prove on a balance of probabilities that the violation was prompted by reasonable concerns for the public health or safety.

In clause 2, we propose that section 40 of the Canadian Human Rights Act be amended to encourage employees who have reasonable grounds to do so to bring their concerns regarding employer misconduct to the Canadian Human Rights Commission. The commission would be required to maintain a confidential registry of all complaints.

• (1810)

Clause 3 proposes to amend section 53(2) of the Canadian Human Rights Act in order to empower the Commission to roll back retaliatory measures by an employer against a whistleblower when the human rights tribunal deems it appropriate.

Clause 4 proposes to add to the Act a new section stating that no person shall discharge, suspend or impose a financial penalty on any employee in retaliation for a complaint or for a disclosure.

Clause 5 proposes to amend section 60(1) of the Act to include a reference to the new section 59.1 so that a person who contravenes this new section would be guilty of an offence for which he would be liable on summary conviction to the punishment set out in the Act.

Clause 6 proposes to replace paragraph (3) of section 61 of the Act by new paragraphs (3) to (7). Where a tribunal established by the Commission finds that a complaint is substantiated or that there are reasonable grounds to believe it true, these paragraphs would compel the Commission to report the finding to the Speaker of the House so that he may refer it to the appropriate committee.

Clause 7 proposes an amendment to the Canada Labour Code. This clause would amend the Canada Labour Code by adding two paragraphs after subsection (1) of section 240. These two paragraphs stipulate that retaliatory discharges for *bona fide* whistleblowing shall be considered unjust dismissals for the purposes of that Act.

Finally, clause 8 proposes an amendment to the Public Service Employment Act. Under this clause, the oath or solemn affirmation taken by a public servant in respect of his employer would be qualified as follows: it shall not be deemed to be a breach of the oath or solemn affirmation for an employee to make a disclosure in good faith regarding the employer's misconduct.

[*English*]

Since the first reading of the bill in May 1994, which was a year ago, several organizations representing some 200,000 federal civil servants have contacted my office to offer support as well as valuable comments.

[*Translation*]

Various organizations have commented that the bill should contain stronger measures. One of the areas they singled out was complaint registration. I will elaborate on these improvements later.

In its recent publication, *Breaking the Silence*, the Professional Institute of the Public Service of Canada stressed the urgency of bringing in an initiative like Bill C–248.

In its report called "In the Public's Interest", which was a summary of what its membership said at its hearings, the Public Service Alliance of Canada, which alone represents over 150,000 public servants, also recommended implementing a measure like the one contained in this bill.

It is also worth noting that parliamentarians and political parties have also spoken in favour of legislation in the area mentioned above. For example, during the 34th Parliament, a New Democrat member introduced a bill, which made it to second reading, which was for all intents and purposes equivalent to Bill C–248. At that time, two Liberal members, one of them the ethics critic, the other, human rights critic, enthusiastically supported the principles in the bill. The bill was debated in February 1992.

Might I add that in 1991, the official opposition's critic for government administration declared that it was imperative to implement a policy to adequately protect public servants who bring wastage to the light of day. In the past, hon. members like the former Liberal who is now a senator, Jean–Robert Gauthier, the former New Democrat member for Skeena, Jim Fulton, and the former Conservative minister, Alan Redway, all proposed, in one form or another, legislative measures along the lines of Bill C–248.

• (1815)

For its part, the Reform Party has always insisted on transparency in the federal government and the elimination of waste of public funds. In this regard, the Reform member for St. Albert said the following on May 11 in the House in a question to the President of Treasury Board:

> Given the fact that a notable proportion of public servants would not report such unethical behaviour, will the government introduce legislation to protect whistleblowers?

My colleague from the Reform Party was referring to chapter 1 of the latest auditor general's report which indicates that public servants are somewhat fearful about reporting practices that contravene the government's ethics guidelines.

The members of our political party, the Bloc Quebecois, at its first general council on June 18, 19 and 20, 1993, recommended to the parliamentary wing that it ensure legislation providing for protection of public servants who blow the whistle be tabled in the House as soon as possible.

[*English*]

It therefore appears that all parties in the House have in recent years or weeks given their support to a measure like the one proposed by Bill C–248. Hence there is ample reason for the House to consider Bill C–248 as votable.

However, to make the bill votable requires unanimous consent of the House. Without unanimous consent the bill, which is really expected by the Canadian public, will not go any further.

[*Translation*]

This means, therefore, that, without the unanimous consent of this House, unions, management, organizations, groups, in fact everyone will be prevented from expressing their opinions on the measures proposed in Bill C–248.

[*English*]

Acknowledging the unanimous support of all parties for a number of years relative to the necessity of the whistleblowing legislation, acknowledging also the obvious necessity of legal protection for good faith whistleblowers, and acknowledging the inescapable necessity for the bill to be votable if it is to be discussed in committee before coming back at third reading, I will ask members of the House to unanimously accept the bill as votable. I will make the request prior to the end of this period.

[*Translation*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I am pleased to address this bill, which is a very laudable initiative. Indeed, even though the government may have some reservations about it, the proposed legislation includes many good points and we must take a very close look at it. I sincerely hope that we can pursue this debate.

[*English*]

One of the stated purposes of the bill is to provide for appropriate sanctions against retaliation or retaliatory discharges by public sector employers of employees who "blow the whistle" or report a serious misconduct of their employers.

Bill C–248 would, it is claimed, protect employees acting in good faith and would recognize there are times when it is in the public interest to encourage whistle blowing, especially if public health or safety were at issue.

[*Translation*]

It is important to remember that the idea is to improve public health and safety.

[*English*]

Let me say at the outset that I am most interested in any proposal that would lead to improvements in the way government programs are delivered that would lead to greater efficiencies and effectiveness and that would lead to the elimination of waste, mismanagement or misconduct.

[*Translation*]

This idea is a basic principle which we must support.

[*English*]

At the moment there are a number of legislative provisions with complementary policies and guidelines that have application in this area. I am interested in how they are working, how they can be improved and how the bill before us today could lead to improvements in these areas.

It is with this in mind that I have reviewed and now comment upon the bill before the House today.

• (1820)

[*Translation*]

Here are my comments, along with some specifics.

[*English*]

One of the clauses contained in the bill proposes amendments to section 23 of the Public Service Employment Act. This section requires every deputy head and employee, before becoming a member of the public service, to subscribe to the oath or affirmation of allegiance and the oath or affirmation of office and secrecy, the latter being set out in schedule III of the present act. Under Bill C–248, which restates the wording of section 23 as it now stands, two lengthy new clauses would be added qualifying the oath or affirmation of office and secrecy.

One of these clauses refers directly to the administration of section 40(1.1) of the Canadian Human Rights Act. No change would be contemplated with respect to the oath or affirmation of allegiance, though any misconduct that could constitute betraying it may well pose a serious problem as abuse of the oath or affirmation of office and secrecy.

The oath or affirmation of allegiance is covered by the Oath of Allegiance Act. It prescribes a form by which every person in Canada who, either of his or her own accord or in compliance with any lawful requirement made of him or her or in obedience to the directions of any act or law in force in Canada, except the British North America Act and the Canadian Citizenship Act, desires to take an oath of allegiance shall have it administered.

The prospective deputy head or employee of the public service must before assuming office affirm and swear to be faithful and bear true allegiance.

Confidentiality is required of all federal public servants by virtue of the Official Secrets Act and by the oath or affirmation of office and secrecy taken by all public servants on entering the service. The prospective employee swears or affirms that he or she will faithfully and honestly fulfil the duties that evolve upon that person by reason of public service employment and not without due authority disclose or make known any matter that comes to the individual's knowledge by reason of such employment.

Of course it must be recognized that major departures from existing practices in tried and true legislation could have important implications for the future well–being of the public service.

[*Translation*]

This is something which must be carefully examined. If were to go ahead with the proposals contained in this bill, would we experience problems with some of them?

[*English*]

It is necessary to determine the precise nature of the problems that are believed to exist or might exist, in view of those proposing Bill C–248, to ascertain precisely the dimensions and nature of the systems that would be required were abuses to occur and how they might best be handled. The means for resolving any problem that might arise in this area under present legislation and regulations should be examined carefully in order not to duplicate or complicate unduly existing measures that inhibit or permit various actions. These include those inherent in the judicial system, the current system of checks and balances in existing legislation, regulations, policies and guidelines, as well as in our open system of government and strong voice of the media.

In examining this proposal for major legislative change, it must be recognized that there is already some legislation covering the abuse of authority and responsibility by public servants at all levels. Paragraph 121(1)(c) of the Criminal Code, for instance, makes it an offence for any official or employee of the public service to demand, accept, offer or agree to accept from a person dealing with the government any reward, advantage or benefit either directly or indirectly through anyone else for his or her own benefit without appropriate authorization.

Members will know that it is the duty of public servants and there are disciplinary and legislative tools available to ensure that they comply to be honest, efficient, effective and loyal in carrying out their responsibilities and managing the resources of the public service.

Employees are expected to inform their superiors of any seeming impropriety and to suggest ways of improving public services. Indeed, the incentive awards program recognizes exceptional contributions to the public service.

• (1825)

There are sanctions as well in place now to prevent, avert or penalize proven dishonourable conduct, criminal actions, waste, extravagance, discrimination or abuse of trust. As you will appreciate, Mr. Speaker, there are already a number of sanctions and legislation in place covering the actions of concern to whistleblowers and to provide recourse for public servants against unfair treatment.

Canada is already known for having one of the finest public services in the world. It is critical that employees and managers recognize the importance of identifying problems and of working together to resolve them.

I am pleased to have the opportunity today to comment on the proposals for legislative changes presented by the hon. member in Bill C–248.

[*Translation*]

I support this bill in principle, and I sincerely hope that we can continue to discuss it. As I just mentioned, some mechanisms are already in place. It is up to us to decide whether to go any further. I thank you for this opportunity to comment on the proposed bill.

[*English*]

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it is a pleasure for me to deal with this very important subject about whistleblowing legislation. I am pleased also to see that the President of the Treasury Board on May 13 mentioned that he is still open to the idea of whistleblowing legislation. He is not convinced yet that it is necessary. I am pleased to see that he is open to the idea. Certainly as my colleague mentioned earlier, the Reform Party feels that any time we can open up government and open up the process we would be in favour of that.

Bill C–248, having to do with the rights of so–called whistleblowing, has been raised several times as private members' business in this House over the last decade or so. Unfortunately, it has not been raised by the government of day, past or present, and that is a shame.

There is a very old proverb I learned when I was a child. I know, Mr. Speaker, you will be interested in this one. I believe in it and I hope every member of the House subscribes to it as well. I try to follow it in my own life and it has done me nothing but good when I manage to follow it, even though it sometimes hurts. The simple old proverb goes like this: "Honesty is the best policy".

I have a question to ask members today. Is honesty really the best policy? If it is, and I believe that it is, we should develop institutions to protect honesty, to encourage honesty, to deter dishonesty and to even punish dishonesty when we find evidence of it.

In general, the Criminal Code and other statutes of Parliament require it, but very few provide an incentive for government organizations to be honest and not only honest but safe and frugal with taxpayers' dollars as well. I therefore agree with the intent of Bill C–248. It provides a mechanism for employees to demonstrate these qualities. It would help the government and the private sector to be honest by placing before it the possibility that dishonesty could be exposed.

Allow me to quote from an article in the *Journal of Canadian Public Administration*. It puts it well. It states:

> There is solid evidence to show that, in the absence of an effective whistleblowing mechanism, employees have suffered emotional and physical turmoil in trying to deal with knowledge of fraud, conflicts of interest, rampant waste, pollution violations, and other illegal or unethical activities. Companies have a duty of care to provide such a mechanism to assist ethical employees.

Employees, who have real concerns and who make the wrongdoing public, suffer real problems in the workplace as a consequence. The Association of Mental Health in Maryland did a study on whistleblowers in the late 1980s found that 82 per cent of whistleblowers experienced harassment after exposing a wrongdoing, 60 per cent were fired from their jobs, 17 per cent eventually lost their homes and 10 per cent reported they had attempted suicide. So there are serious repercussions by not accepting the word of a whistleblower or by persecuting them afterwards.

Even with these problems, whistleblowing means savings for the American government. In 1980 the U.S. government began a hotline for the American public service. The government received 94,000 telephone calls in the first 10 years of operation, 1,100 calls were substantiated and $20 million was saved. The cost of the hotline was minuscule in comparison to those savings.

• (1830)

There are some dangers in this type of policy. It may be used irresponsibly by people who have their own axe to grind or people who are just plain disagreeable and want to cause trouble and headaches for honest employers by alleging things that simply are not true and then escape by hiding behind a law.

The idea I want to get across today is of controlled whistleblowing or a mechanism by which whistleblowing legislation can be passed that protects all parties involved. We must have the right to expose illegalities, the gross abuse of funds or a significant risk to public health or safety within limits that would protect employers and, in the case of Parliament, ministers of the crown and public service managers.

I want to suggest what might be part of an ideal act of Parliament. Then I want to compare that ideal with the bill before us. Ideal whistleblowing legislation should define the nature and limits of the activity that would be protected by such legislation specifying the gravity of wrongdoing to be exposed. I admit this would not be easy.

For instance, an employee may want to expose a fellow employee for being a couple of minutes late one morning because he is angry at him for some unknown reason. The law would have to be designed in such a way that it would be kept from degenerating into a sort of informer's paradise. The legislation probably would specify some type of internal process which must be followed before it would be legal to go through the public whistleblowing activity. It is only fair that an employer be able to clean up his act before getting tarred in the press.

Ideal legislation would specify public whistleblowing rather than leaked documents as well. Leaks are the curse of any minister's existence. If I was a minister I would not appreciate leaked documents either. However, whistleblowing legislation would not protect leaked documents unless it was one of those concerns that I mentioned earlier about gross misconduct or something. Public servants are expected to keep documents confidential at all times and that should continue under any legislation.

I like the idea of an employee coming forward in a forthright manner through proper protected channels if it is necessary to expose things.

Legislation should contain some kind of statute of limitation so that employees could not try to get revenge on certain people by exposing things that happened long after the employee has left the employer.

I also think the act must create an incentive system for legitimate whistleblowers. This is another difficult area and I do not claim to have all the answers. It is difficult enough for whistleblowers to come forward even with the protection that the President of the Treasury Board says is in place already. We see it is very difficult to get them to come forward.

The United States has the false claims act. Under it whistleblowers receive 25 per cent of the savings of any whistleblowing benefit they unearth. Over the first six years of the operation of the act, 407 lawsuits were filed and 37 were settled for a total of $147 million in savings. The average whistleblower received $400,000.

I have considerable hesitation in supporting this type of high priced incentive to whistleblowers. However, if this is referred to committee, the committee should investigate whether there should be some sort of a monetary incentive or public recogni-

tion or some kind of paper recognition. Some sort of incentive should be investigated in committee to see if it has some validity on the Canadian scene.

There also needs to be legal protection for legitimate whistleblowers, including confidential advice for public servants and an appeal process for those who are harassed or fired. For that we need an independent body which would act as sort of a place of sober second thought. I am not going to suggest the Senate but we need something that would give an employee confidential advice on whether his or her concern constituted a legitimate exposure and so on.

• (1835)

This independent person or office, something like an ombudsman or an independent ethics counsellor—emphasis on the independent—would also act as a repository for the information that was revealed. Anyone could come and receive that information. It would be a very popular office indeed. I know many public servants have been in contact with me about the need for this legislation.

If it was done in this way it could be exposed in a non–partisan, orderly way that would protect the employee concerned and also protect the government or other employer by suppressing frivolous or mischievous claims such as the one I mentioned earlier about someone overstaying a coffee break or something.

Next we would need an appeal process where an employee who was being harassed or who was fired could go. We need something there. Investigations could be conducted and reparations made. However there would also have to be a companion law that would punish or somehow discipline an employee for publicly exposing things for which they have given an oath not to expose. For example, they would still have no right to expose confidential documents from the cabinet and so on. We have to make sure under this legislation that employees do not feel they have the right to expose what by necessity must be confidential.

How does Bill C–248 measure up? I have mentioned several things that could be fleshed out in the bill. I find the bill is like a shell. It has the skeleton of some very good ideas. It is not specific enough in many areas. For example, there are no limits specified as to the time of reporting, the gravity of the offence to be reported or even the kinds of things an employee could report.

We should investigate whether there should be an incentive system of some kind which is not mentioned in the bill. We should do something to encourage the natural inertia of the bill against whistleblowing and jump start it. Maybe some sort of incentive program would help to do that.

I am not convinced the Canadian Human Rights Commission is the best body to solve this problem. Canadian human rights is becoming a grab bag. It seems to be solving everything or it is expanding its role. Under Bill C–64 it has been asked also to expand its area of expertise into the employment equity issue.

I see a little problem with the Canadian Human Rights Commission becoming the catchall for all this. I wonder if rather than a human rights issue it could more properly be administered under the Department of Labour because this is typically an employee–employer type problem. We could change this to the Department of Labour because it would be best equipped to handle these types of employment related matters.

Finally, as I mentioned earlier, the bill contains no deterrents against destructive or frivolous whistleblowers, people who just want to pass the time of day and harass employers. We will need something there.

To conclude, the intent of Bill C–248 is noble. We agree with its general direction but it is like a shell that needs to be filled out. I appreciate the member's work in this area and I only feel disappointed the government did not present this legislation.

This situation is much like the access to information experience. There have been many private members' bills over the years that sought to improve access to information. Given the benefit of hindsight and the great amount of good the Access to Information Act has done, the Liberal government would be well advised to take this bill as an umbrella piece of legislation and work with it. I realize it would be taking a bit of a risk.

Once this type of legislation is worked over in committee and becomes law we will all wonder how we got by without it. It is a good idea. We on this side of the House look forward with anticipation when real whistleblowing legislation becomes a reality.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, Bill C–248 is a good bill, because it meets a blatant need. It is an open secret that there is considerable waste and abuse in government. I am vice–chairman of the committee on public works. As the hon. member for St. Boniface who spoke for the government knows full well, we have seen many cases of waste and abuse in the public service, particularly when contracting out is concerned, with an estimated $5 billion to $10 billion a year in contracts awarded by the government to private enterprise.

• (1840)

In that sector alone, hundreds of millions of dollars may be wasted through abuse and errors. The Public Service Alliance told us about some absolutely incredible cases of waste. For example, painters employed by the federal government were moved aside as contracts were awarded to private sector entrepreneurs, who were paid to do the work while public servants stood by watching them. Some contracts and leases were a real waste of government money. The waste is legendary.

If public servants had the right to denounce such cases of abuse, the government could save millions of dollars every year. The public is well aware of this, and one of its most common criticism is that the government is not careful enough about its spending, especially since Canada faces a huge deficit.

It would be a good idea to draft such a bill in light of the potential savings. This bill would also help restore the credibility of the government and of politicians who, to a certain extent, are held responsible for public service waste and abuse.

If public servants could denounce cases of abuse, this would not only save money but also probably bring to light events or actions endangering public health or safety.

Public servants reporting cases of abuse must be protected. Thus, they would fell more inclined to report or blow the whistle on the conduct of their superiors and coworkers. That is why government employees need the kind of protection this bill is designed to afford them.

There are many examples around the world of governments that have already passed legislation to allow employees to disclose instances of abuse and squandering within the public service. In fact, this public administration philosophy is increasingly popular in the United States.

More than 20 states in the U.S., including major states like New York and California, are reported to have put in place similar legislation enabling public servants to report abuse and protecting them; in some states, the protection of the law even extends to disclosure of abuse and squandering in the private sector. We are light–years behind them in that respect.

And the U.S. is not alone. England also has similar legislation. But we, in Canada, do not. It would be great, of course, if the federal government could act on this. There is every reason to do so. In fact, there is no valid reason not to pass this bill; except perhaps a lack of will on the part of the government. This is not even a partisan issue; it does not have anything to do with being a federalist or a sovereignist. It is strictly a matter of common sense. As other members mentioned, public servants themselves and the Public Service Alliance have come forward and expressed full support, for the reasons stated previously.

There really is no reason not to pass this bill, because this is a bill that will help the public service operate better and more economically. Why not agree in principle with this bill, as suggested by the hon. member for Saint–Boniface and the representative of the Reform Party? Why not refer it to committee, where improvements can be made if required so that we can go some way toward providing Canada with a piece of legislation enabling public servants to disclose instances of abuse without being subjected to unfair retaliation.

The Acting Speaker (Mr. Kilger): The member for Portneuf, on a point of order.

Mr. de Savoye: Mr. Speaker, as I mentioned previously, I would like to ask the House if these is unanimous consent to find this bill votable.

As we know, Canadians have been waiting for such a piece of legislation. We have the opportunity to have an important in–depth debate which would enlighten members of Parliament as well as the public. Later on, we will have the opportunity, if the House so desires, to vote to refer this bill to a committee.

What we are talking about now is to have two more opportunities to debate this bill. Therefore, I ask the House for its unanimous consent.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion presented by the member for Portneuf seeking unanimous consent to find this item votable and to debate it for two more hours.

Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Kilger): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, this item is dropped for the *Order Paper.*

It being 6.50 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.49 p.m.)

HOUSE OF COMMONS

Wednesday, May 31, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

WORLD NO TOBACCO DAY

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, today marks World No Tobacco Day. I wanted to take this opportunity to offer my support to the call for reduced use of tobacco products.

When I was in the riding last week I had the opportunity to take part in a special event to acknowledge World No Tobacco Day. I helped launch the Muskoka—Parry Sound health unit's anti-smoking campaign to highlight the importance of maintaining the momentum toward smoking reduction in Canadian society.

The federal government initiated its own tobacco demand reduction strategy not long ago as a major component of its anti-tobacco smuggling action plan. This strategy includes legislation, enforcement and public education.

A recent survey conducted by the health unit in my riding indicates two of the high schools in our riding have over 30 per cent usage of tobacco on a regular basis. This is much higher than the provincial average and is a trend I would like to see reversed.

I ask my colleagues to join with me today to encourage young people to stop smoking.

* * *

[*Translation*]

PERSONS WITH DISABILITIES

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, yesterday, in response to a question from the hon. member for Berthier—Montcalm, the Prime Minister referred to Lise Thibault, who is currently president of the Office des personnes handicapées du Québec, as the president of an association for cripples—he used the French word "infirme"—right in the middle of National Access Awareness Week.

The use of the French word "infirme" by the Prime Minister of Canada is a disgrace and an insult to all persons with disabilities. This word perpetuates a stubborn prejudice suggesting that a handicapped person is ill and must be taken care of.

Although all persons with disabilities do have limitations, the vast majority of them are not ill. The Prime Minister should have the decency not to use disabled people for partisan purposes, let alone refer to them in a patronizing way.

* * *

[*English*]

MISSING CHILDREN

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, the month of May has been the month of the green ribbon of hope campaign for our missing children. May 25 was Missing Children's Day sponsored by Child Find Canada.

Every year over 55,000 Canadian children under the age of 18 are reported to the RCMP's missing children registry. Many of these children leave their homes voluntarily because of harsh and unbearable conditions. Others are abducted and disappear, often becoming the victims of heinous criminal acts.

Child Find Canada is a charitable non-government funded organization dedicated to the elimination of this problem through its education and awareness programs such as its all about me ID program. This is a program that works with parents and local community organizations to document information about a child's basic identity.

The problem of missing children is all too real. It reinforces a need to pursue policies that strengthen our criminal justice system and strengthen and protect the Canadian family.

* * *

[*Translation*]

BOVINE SOMATOTROPIN

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, the seven person working group appointed by the Government of Canada to study the safety of recombinant bovine somatotropin for animal and human health should release its report very soon, that is, before the moratorium

imposed by the government on manufacturers expires on July 1st.

At present, this hormone provides only financial and economic benefits and may be prejudicial to the health of all Canadians.

I am therefore asking the authorities concerned, and especially the Minister of Health, to ensure that all necessary studies, including the one on insulin growth factor–1, a hormone that may in some cases be linked to excessive limb and chin development, are conducted.

If these studies do not prove beyond a shadow of a doubt that BST is safe, the Minister of Health should seek an indefinite extension of the moratorium.

* * *

[*English*]

CYSTIC FIBROSIS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, it is my pleasure to inform the members of the House and all Canadians that May has been Cystic Fibrosis Month.

Although significant scientific discoveries such as the identification of the gene responsible for cystic fibrosis have been made in recent years, the challenges of developing better treatments and a cure remain.

• (1405)

The Cystic Fibrosis Foundation of Canada is a national voluntary health organization dedicated to improving the lives of those who suffer from this disorder. It supports a Canada–wide network of specialized clinics providing diagnostic treatment and care as well as information to patients and health care providers.

Please join me in congratulating the dedicated scientists and volunteers who contribute to the Cystic Fibrosis Foundation of Canada for their excellent work and in wishing the foundation and its volunteers a very successful future.

* * *

PORT OF SAINT JOHN

Mr. Paul Zed (Fundy—Royal, Lib.): Mr. Speaker, records fell as the port of Saint John reached new levels of throughput in many of the major commodities handled at the port, such as petroleum, potash, salt and sugar. Cruise ship passenger volumes increased dramatically in 1994 due to calls by Carnival and Princess cruise lines. Significant traffic gains and expanded shipping services were realized at the port by shipping lines like Star, Kent and National Shipping of Saudi Arabia.

Two million dollars has been spent on facilities development at the port of Saint John. Its strengthened financial performance has resulted in improved revenues.

The men and women who work at the port of Saint John look forward to challenges and opportunities ahead. Working with its stakeholders the port of Saint John has confidence in its collective ability to take advantage of new opportunities.

As we celebrate Transportation Week, let us remember that the port of Saint John continues to play a major role in supporting Canada's international trade and making a significant—

The Speaker: The hon. member for La Prairie.

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[*Translation*]

WORLD NO TOBACCO DAY

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, today is World No Tobacco Day, and I would like to take this opportunity to make parliamentarians as well as the people of Quebec and Canada aware of the importance of this day. This year, the theme of this annual event sponsored by the World Health Organization is "The cost of tobacco is higher than we think".

It is worthwhile reminding people that smoking is one of the main causes of potentially fatal respiratory and cardiovascular diseases. And what about the effect of second–hand smoke, not to mention the miscarriages suffered by mothers who smoke and the low birth weight of children born to these women? The need to educate the young and the not so young about the health hazards associated with tobacco use is unquestionable.

Today more than ever, we must make everyone, old and young, aware of the hazards of tobacco use. This campaign should have significant and lasting results.

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[*English*]

EXPO 2005

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, we have yet another example of the Liberals shafting the west and rigging a decision to favour Ottawa.

Last year the Minister of Canadian Heritage decided that Canada would support a bid for Expo 2005. He appointed an independent committee to recommend to him which city, either Calgary or Ottawa, would represent Canada in the bidding process. The process was completed and Calgary was the unanimous choice recommended to the minister.

The minister promised to follow the recommendation of the committee and he has failed to do so. He has tainted the process

by allowing Ottawa to continue lobbying. It appears that the minister is rigging the bid so that Ottawa gets the Expo. It appears that the fix is in.

Calgary has the strongest of the bids. It has the financial backing of the city of Calgary and the province of Alberta. Calgary has a volunteer network which is the best in Canada and which will make the Expo a tremendous success showcasing Canada to the world.

The minister promised to make a hasty decision but has failed to act for more than two months. I urge the minister to immediately follow the recommendation of the committee and give the Expo bid to Calgary.

* * *

ADULT ONLY FILMS

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, many constituents of mine are outraged at a recent mailing that every home in the riding received advertising a package of so–called erotic adult only films. The increased availability of such films called original, uninhibited and sexually explicit in the advertising brochure is openly attributed to the benefits of free trade which, according to the same brochure, has led to such films now not only being permitted but also encouraged.

The wonders of free trade never cease to astound me. Good Canadian films still have a problem making it to market but American porn is given new opportunities.

I share my constituents' feelings that this kind of junk mail should not be handled by Canada Post. So–called erotica may have its place but its availability should not be imposed on people whether they like it or not through such universal mailings.

I call on the minister responsible to speak to Canada Post about this with a view to seeing what can be done to prevent further such mailings.

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[*Translation*]

SMALL BUSINESS

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I would like to give another example of what this government is doing to promote business development and, thus, the economic development of this country.

The minister responsible for the Federal Office of Regional Development in Quebec told the Standing Committee on Industry that he will intensify efforts to make small business aware of how crucial innovation, design as well as research and development are.

• (1410)

He is mainly concerned with identifying new technologies and integrating them into the daily operations of this industry. FORD–Q will pay special attention to ensuring that knowledge is shared and that the products and techniques developed in high–tech projects are marketed.

In Canada, job creation has been spurred on by the vitality of our small business industry since 1992. That is why FORD–Q is committed to creating the conditions required for this industry to remain the driving force of economic growth. In a word, we can say—

The Speaker: I am sorry but I must interrupt the hon. member. The hon. member for Beaches—Woodbine has the floor.

* * *

[*English*]

MULTIPLE SCLEROSIS

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I am pleased to remind members of the House that May was Multiple Sclerosis Carnation Month.

Multiple sclerosis, or MS, is a degenerative disease that affects the central nervous system. An estimated 50,000 Canadians suffer from this disease, one of the highest prevalence rates in the world. There is presently no known cure.

Research into finding a cure and better treatments for patients with MS is ongoing. Health Canada has contributed research dollars to help improve the lives of MS sufferers. However, there is still much work to be done.

During the month of May, volunteers from the Multiple Sclerosis Society of Canada were out in our communities selling fresh carnations to raise money for research and support services for those affected by MS. As in previous years, the Multiple Sclerosis Society hopes to raise $2 million throughout the carnation campaign.

Of course the success of this campaign depends greatly on the involvement of volunteers. To recognize their contribution this year's campaign slogan was "volunteers can work wonders". I salute the many Canadians who contributed their time.

The Speaker: The hon. member for Outremont.

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[*Translation*]

HUMAN DEVELOPMENT INDEX

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, the Quebec minister responsible for restructuring just released a fifth study, this time on the human development index, its concept and its use.

The author of the study tends to show that a sovereign Quebec would have the required potential to develop further and that its quality of life could even be better than that of Canada.

We really wonder how the minister can attach any value to a study whose main conclusions, as the author himself admits,

were reached by deliberately changing the criteria used internationally to determine the human development index.

The PQ minister can release all the studies he wants; Quebecers will never forget that Canada is still the best country in the world.

The minister should stop wasting taxpayers' money on studies which do not serve their interests at all.

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the harassment campaign conducted by CSIS against Pierre Laberge and his wife since Mr. Laberge declared his support for Quebec's sovereignty is scandalous. Worse still is the fact that the government and the Prime Minister condone this witch hunt.

The reason the government is letting the situation with the SIRC deteriorate is now clear. Indeed, the Security Intelligence Review Committee currently has only two active members, instead of the five provided for in the legislation.

The basic freedoms of Quebec sovereignists are jeopardized by the actions of CSIS and the laxness of this government. The Bloc Quebecois demands that the next SIRC appointment be made in close co–operation with the official opposition, so as to protect the freedom of speech of every citizen.

* * *

[*English*]

GOVERNMENT LEGISLATION

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, today we are talking about broken promises and one of them is on page 92 of the red book which says: "In the House of Commons, a Liberal government will give MPs a greater role in drafting legislation through House of Commons committees". Is it true? Well, let us have a look.

On Bill C–68, the government invoked closure at second reading, limited the number of witnesses and refused to give time for legislative counsel to draft amendments.

On Bill C–64, only four witnesses out of the 50 who gave testimony came from a list submitted by Reform. Reform MPs were not allowed to submit amendments in the language of their choice. They were refused the right to speak to some clauses due to a time allocation of five minutes per clause.

On the MP pension bill, only expert witnesses are allowed to testify. MPs and ordinary Canadians are shut out.

These arrogant actions by the Liberals make a sham of an MP's role in drafting legislation. This is another example of how the red book promises are being broken, one after the other.

* * *

• (1415)

ONTARIO ELECTION

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, as the people of Ontario prepare to vote next Thursday they are discovering where their provincial leaders stand on the issues.

Recently on employment equity and disabled persons Conservative leader Mike Harris is quoted as saying:

> Now here is a disabled person only 50 per cent as good as an able bodied worker, but you must hire them and you must pay them as much as an able bodied person.

To make such uninformed statements of the disabled person's ability to compete is totally unacceptable.

Liberals have always brought out the best in every Canadian. We have always celebrated and encouraged what every member can contribute to society. People with disabilities deserve better than this. The common sense revolution only appears to be for the strong, the powerful and the fit, but above all it lacks common sense.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, although he claims he will redefine the mandate of our peacekeepers in Bosnia, the Prime Minister has clearly indicated that his government does not intend to send additional support in terms of logistics and equipment. Meanwhile, the situation is deteriorating following a refusal by Bosnian Serbs to allow the Red Cross to visit the hostages and now that the Canadian government has no direct contact with Captain Ryan Lapalm, who is being held in Sarajevo.

My question is directed to the Minister of National Defence. How can the government expect to be taken seriously when it says it wants to redefine the mandate of our peacekeepers in Bosnia but at the same time refuses to send adequate equipment like France and Great Britain?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, first on the question of Captain Lapalm, it is true that we have had no

direct contact with him for the last number of days. We have heard indirectly from our sources in Sarajevo that he is okay. We are trying to confirm this and we are trying to work through third parties such as the Red Cross to ascertain his true condition.

With respect to Captain Rechner, I dealt with that yesterday. There has been no change. There has been no change with the other people who have been detained and held hostage in Ilijas.

With respect to the question of the hon. Leader of the Opposition, I think we have made our position quite clear. There is no requirement at this time to send additional Canadian forces. None have been sought by the United Nations.

I should point out that the secretary–general of the UN a few moments ago called for the gradual reduction or scaling down of the UNPROFOR mandate so that it could be reprofiled in a way to carry out those tasks that it could best be suited to carry out. This mirrors the position that has been taken not only by Canada but by many of our allies.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the minister just referred to an important statement from UN headquarters. We know that Secretary General Boutros Boutros–Ghali has proposed scaling down the number of troops while at the same time redeploying on site resources.

I want to ask the minister what the Canadian government's position is, and perhaps he could tell us, not about what other countries think and do and the meetings that will take place but about what the Canadian government thinks and what it intends to do.

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the secretary–general flatly rejected a withdrawal from Bosnia, as has been advocated by some. He flatly rejected the status quo. He is talking about a redefinition of the UNPROFOR mandate in that country, and that is the position of Canada.

As to how we do it, that will become evident in the next few days. As the House will know, my colleague, the Minister of Foreign Affairs, is meeting today with his counterparts. A meeting has been called by the Prime Minister of France for defence ministers on Saturday. I shall represent Canada there with the chief of defence staff. We will try to see how we can adapt our positions into a common front to deal with what I think is the emerging consensus, one that we enunciated in the House in the last few days, that the UNPROFOR mandate is still valid. It can still work, but there has to be some reshaping or redefining of the mandate to lessen the exposure for the troops that are concerned.

• (1420)

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, there is of course the very delicate matter of deciding whether to send more troops. I realize the government wishes to tread very carefully in this respect. However, there is also the matter of adequate equipment. We know that on a number of occasions, Canadian soldiers have mentioned the problems they had due to inadequate equipment.

I want to ask the minister whether he would agree that any delay by the government in sending our troops adequate equipment will expose them to further hostage taking?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, a lot of the charges about equipment are simply charges that no longer bear reality. Whether it is helmets, reinforced flak jackets for the very difficult situations, reinforced turrets of our M–113 armoured personnel carriers and other equipment including very modern machine guns, we believe the troops in the last number of months have been given additional resources that give them better protection for more dangerous situations.

That does not mean to say that we cannot improve that equipment. However, with respect to sending heavy armour, artillery and all of the rest of the paraphernalia of a greater entwining in a conflict over there, that is something that is not part of the government's agenda at this time. It may very well be part of the government's agenda should there be an eventual withdrawal, but that withdrawal would have to be all–encompassing, requested by the UN and discharged by NATO. At that time we will be prepared to add additional resources to effect the evacuation of Bosnia.

* * *

[*Translation*]

CARE CANADA

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

A CBC program reported that, in addition to spending donations from the public extravagantly, the $300,000 that Care Canada raised in its campaign to relieve hunger in Somalia never made it to its destination. Given the seriousness of the allegations and Ottawa's financial support of Care Canada, the Secretary of State for Latin America and Africa has announced the government's intention to investigate this agency.

Ottawa funded Care Canada to the tune of $28 million in 1993. Therefore, will the Deputy Prime Minister tell us whether the federal government's grants to Care Canada, especially its

contribution to the campaign for Somalia, were really used for their intended purpose?

[*English*]

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I am pleased to have the opportunity to respond to my colleague's question.

The CBC program last night made very serious allegations against Care Canada, but I should like to say at the beginning that those are allegations and not facts. We have to make sure that we make that distinction.

CIDA carries on a regular program of auditing of all agencies that it has contracts with and which it funds. It has done that with Care Canada and has found that all the funds provided to Care Canada in whatever program were used properly as indicated through contracts.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, regarding the federal government's financial commitments to Care Canada, does the Deputy Prime Minister intend to suspend all federal grants to this agency until the announced investigation gets to the bottom of the troubling allegations against Care Canada?

[*English*]

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, CIDA currently has ongoing contracts with Care. As I said before, we have no reason according to our audits to say that it is using its funds in any but the best way.

On the other hand, we have very serious concerns about the allegations that have been made. CIDA is immediately starting its own investigation of the agency as an institution. That will include a review of the allegations that have been made.

* * *

BOSNIA

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday the Prime Minister said that Canadian peacekeepers were not in the former Yugoslavia to make war with anybody. Unfortunately that view is not shared by the Bosnian Serbs.

They have declared the 320 UN hostages, including 55 Canadians, to be prisoners of war. They have declared that all agreements with the United Nations are null and void.

• (1425)

In response, NATO is calling on the UN to beef up its mandate and the contact group is asking for the power to aggressively attack the warring factions. The UN is at the brink of a protracted war with the Bosnian Serbs.

Will the government today formally acknowledge that the peacekeeping mission in Bosnia is over and that our soldiers are now being asked to play an aggressive peacemaking role in that region?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, what we have here is a question of semantics. Peacekeeping in the traditional sense has rarely been followed in both Croatia and Bosnia. It was not followed in Somalia. These are not traditional peacekeeping situations, but we all refer to them in the generic sense as peacekeeping because that terminology developed by former Prime Minister Pearson is an accepted role for the international forces.

The Government of Canada does not accept the notion that the mandate of the United Nations in Bosnia is invalid. We feel it can still work and we feel it can work with a modification of the mandate in a number of areas. I outlined them in a speech the other night and the leader of the Reform Party heard them.

We feel that the United Nations, the world community, has so much at stake that we should do all possible to ensure that a reformulated, redirected mandate can be discharged.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we are not arguing about semantics but about the substance of the situation.

The major NATO allies are deploying reinforcements in the Balkans. The secretary–general of the United Nations is proposing to change the mandate and UN soldiers are being asked to play a more aggressive role in that part of the country.

Our peacekeepers have become peace enforcers, a role which goes against the original mandate and for which they are not properly equipped.

Given that our role is changing, no matter what words the minister wishes to use to describe it, and that the lives of Canadian soldiers are being placed at greater risk, will the government now demand a place for Canada in the UN decision making contact group?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the contact group is not a UN sponsored organization. It is a group of nations largely European—it includes Russia and the United States—that have come together and have tried to effect a solution. We have made our position clear that we would have preferred to have been part of that group.

As I said the other night, we have to look forward and not look back. As a result of some of the comments that have been made by our Prime Minister with respect to the specific issue, it has been agreed over the last number of months to expand the consultative process among troop contributors, of which Canada is a significant player. That will mean we will have even more

consultations, including the meeting I have just described that will take place in Paris on Saturday.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canadians do not just want to be consulted. Canadians want to have a say in key decisions that affect the lives of the forces in Bosnia. Canada invented peacekeeping. We have been major players in every key UN peacekeeping mission. Our soldiers have taken on some of the most dangerous assignments in the former Yugoslavia.

The fact that Canada has no real decision making position in actions that have a direct impact on our soldiers is completely unacceptable to the House and the Canadian people.

If the government is insisting on staying in Bosnia, a decision with which we profoundly disagree, will the minister at least insist on membership in the contact group as a condition for remaining?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, without getting too much involved, the answer to the specific question is no.

We have a forum that has worked well in the last few months and is expanding and will meet again on Saturday. It is the troop contributing nations.

• (1430)

I have been at other meetings of this group in the past number of months. It will be a decision making body; it is a decision making body.

The hon. member quibbles about having a say not meaning consultation. We will be having a say, we are having a say. He obviously does not remember that when it came to the question of application of NATO air power Canada was very much in the forefront not just in consultation but as part of the decision making process and withheld approval until many of our key concerns were met. Those concerns were valid then, they are valid now and they will be valid in the weeks to come.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, my question is for the Minister of Finance, who is also responsible for regional development in Quebec.

The federal government is preparing to review all of its regional development activities. In the future, the Federal Office of Regional Development will concentrate its activities on a single program focussed on small and medium businesses cutting its aid budgets by 60 per cent at the same time. With Bill C–91 on the federal bank, Ottawa intends to sign agreements directly with agencies that are under Quebec's jurisdiction.

How can the minister responsible for regional development in Quebec talk of harmonizing federal and provincial action, when he is preparing, with Bill C–91 among others, to intervene, indeed to act as the representative of Quebec regional development agencies over the head of the Quebec government?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member does not understand this bill at all. It establishes a new mandate for the Federal Business Development Bank, among other things.

I can tell the hon. member that the excellent co–operation between the bank and the federal regional development agencies will help small and medium businesses throughout Canada, particularly in Quebec.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, as I pointed out in this House, we can see that the real person responsible for regional development in Quebec is the minister from Ontario.

As Quebec is increasingly decentralizing and regionalizing, are we to understand, with the establishment of a new mandate linking the federal office and the Federal Business Development Bank, that the minister, through the ever popular flexible federalism the Minister of Intergovernmental Affairs referred to yesterday, is setting up a central Canadian agency to increase overlap and duplication and to attack Quebec's regional development policy head on?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I must say that the question of the hon. member, whom I hold in high regard, is completely absurd.

Let me begin by saying that, when a question concerns the Federal Business Development Bank, it is directed to the minister, and this is why he responded. When a question concerns regional development, that is the federal development office, I am happy to reply.

First, I am pleased to say that we asked Quebec whether it wanted to align itself with our policies, and we are awaiting its reply. The ball is now in Quebec's court.

Second, we adjusted our operations to the requests of local authorities.

Third, at the annual conference held by the Université de Chicoutimi in Quebec City two weeks ago, the provincial government was asked to do exactly what we are now doing at the federal level. So the hon. member should listen to what his fellow Quebecers are saying.

[*English*]

GOVERNMENT APPOINTMENTS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the Liberals in the red book promised to wipe out patronage appointments and bring integrity to government. Word now comes from British Columbia that at least three legal firms with no previous prosecution experience have been awarded standing contracts to act on behalf of the crown in putting criminals behind bars.

• (1435)

Since the government is so fond of citing the merit principle whenever it becomes clear we are really talking about the patronage principle, could the Minister of Justice explain the merit in handing over the responsibility for prosecuting criminals to law firms with absolutely no experience in that field?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is very difficult to answer a question when we do not know what the case was and we do not know who the law firms were. All we know is there was work supplied by the Department of Justice.

Contracts by the Department of Justice are given very carefully with a great deal of forethought, and all the firms with which the Department of Justice does business are very competent in the field in which they are to be working.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the parliamentary secretary might be interested that all three law firms in question have absolute Liberal pedigrees.

The law firm partner James Hutchison happens to be the president of the revenue minister's Victoria riding association. Another contract was given to David Mulroney who happens to be the vice–president of the minister's Liberal association.

In light of the Liberals' promise to wipe out patronage appointments and bring integrity to government, why has the justice department failed to deliver on this important promise?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think the hon. member is saying that because the Liberal Party was able to associate itself with very competent people during the election campaign and so many throughout Canada, as the popular vote would indicate, there will be quite a few of them who are Liberals.

That person is a Liberal certainly does not discount them from being a capable lawyer. If we were to discount all the capable lawyers who are Liberals we would have a difficult time in awarding contracts.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, my question is for the Minister of Transport.

In reply to the question I asked him on May 18, the minister said that the sale of CN would be conducted in the best interests of taxpayers. But, this morning, it has come to light that, in the sole interest of reducing CN's debt, Ottawa will be sinking anywhere from $400 to $600 million into the purchase of CN buildings for which taxpayers have already paid.

How can the Minister of Transport claim that the government is acting in the Canadian public's best interests by acquiring CN property, when the sole purpose of this operation is to meet the liquidator's condition that CN's debt be artificially reduced to make its balance sheet more attractive, to—

The Speaker: Dear colleagues, I am finding today's questions somewhat long and would ask you to be a little briefer.

The Minister of Transport has the floor.

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the question of the commercialization of CN is very complex.

I know the hon. member has had the opportunity to sit in committee and listen to people we consider to be as expert in this area as anyone in the country, who try to explain the need to provide an opportunity for CN to be sold in a viable way, to elicit enough investment interest to carry the issue to be put out this fall, but also to allow it to continue to compete on an equitable footing with Canadian Pacific.

The hon. member knows representatives of the competitor of CN, CP, have gone before the committee and explained they understand the need to have a reasonable debt–equity ratio, that we have to qualify for a triple B bond rating in order to raise funds on the investment market to operate CN and provide money for the acquisition.

• (1440)

I know it is a complex piece of business. I can only encourage the hon. member to take the word of the Minister of Transport and the government and also to listen to the people who understand the business principles involved in the commercialization of CN. It is in the best interest of taxpayers, the best interest of shippers and the best interest of competition that we are trying to do the best job we can.

Even the *Financial Post* and the *Globe and Mail* agree that on this one we are doing a fairly good job.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, the minister's answer in fact confirms that the government is reducing CN's debt to lure buyers, American buyers for example.

Now for my brief question. Will the minister acknowledge that taxpayers are going to have to pay not between $400 to $600 million in the effort to privatize CN, but as much as $1 billion, and that this public support of $1 billion is nothing less than an indirect subsidy Ottawa will be offering to the future owners of CN?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, a fundamental question that has to be addressed by all members of the House of Commons as we deal with the commercialization of CN is whether members want to do it.

We can address all the theoretical questions. We can discuss whether the deal is absolutely perfect or whether the taxpayers of Canada will get an absolute best value on every aspect of the deal.

The Bloc Quebecois will have to decide whether it wants to support the commercialization and the privatization of CN. If it does, we will listen to its recommendations as to how we can do it well. However, if it does not want to do it, if it just wants to carp about it, it should simply oppose it and not try to deal with issues it obviously has no understanding of whatever.

* * *

ETHICS COUNSELLOR

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, in 1988 Georges Clermont, then vice–president responsible for real estate at Canada Post and now the president of Canada Post, was at the Hotel Ritz in Barcelona, Spain. His bill was paid for by none other than José Perez, the developer of the Canada Post headquarters complex in Ottawa. Mr. Clermont has admitted this payment under oath.

Is this now sufficient evidence for the Prime Minister to finally allow an ethics counsellor investigation or must we wait until even more damning evidence is made public?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): No, Mr. Speaker.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, quite clearly the government is not willing to face up to issues of ethics which are hounding it.

It seems clear to me there is now considerable evidence there is more than a casual acquaintance between Mr. Perez and Mr. Clermont. Canadians have a right to know the extent of this symbiotic relationship.

If there will not be an independent investigation, why not? What is the explanation to the Canadian people?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member takes an allegation to the floor of the House of Commons.

The hon. member will be aware the subject matter is under investigation. It would be most inappropriate for a minister of the crown to comment on that.

The hon. member had an opportunity on a previous occasion before the Standing Committee on Government Operations to put questions he deemed appropriate and sufficiently important to the president of Canada Post Corporation.

If the hon. member has evidence of those allegations, I would be happy to forward those to the appropriate individuals. This activity took place a considerable time ago and is presently being investigated by the proper authorities.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

In an internal memo dated May 11 and addressed to employees of the Canadian Broadcasting Corporation, CBC president Perrin Beatty announced that the McKinsey firm would be asked to examine the operations of the CBC. The memo also announced that as part of its planning strategy, the CBC expected to cut a total of $350 million over three years, although the reports of the Canadian Heritage committee and the Juneau committee have not yet been released.

• (1445)

Could the minister confirm whether the $350 million mentioned in Mr. Beatty's memo is the same amount that was announced by his deputy minister, Mr. Rochon, to former president Manera before the last budget?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the president of the CBC made it very clear that his budgetary framework was the same one established in the government's latest budget. If the hon. member read what it said in the budget, she would have the answer to her question.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, how can the minister keep denying the extent of the cuts at the CBC

over the next three years, when the board of directors of the corporation is about to implement these cutbacks by hiring an outside firm to find ways to cut and slash services at the CBC?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, this is an extremely biased interpretation of what is being done by the CBC board of directors. It is not the first time we have heard such interpretations. The board of directors of the CBC is looking for the best possible advice on how the CBC can be made more efficient to deal with the challenges of the information highway.

* * *

MINORITY LANGUAGE COMMUNITIES

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, my question is also for the Minister of Canadian Heritage.

Last summer, the Government of Canada announced that 26 departments and agencies would be required to prepare action plans for promoting the development of Canada's minority language communities in accordance with sections 41 and 42 of the Official Languages Act.

Can the minister tell us today what measures he will take to ensure that the 26 departments and agencies in question submit their plans before the deadline, that is, before the end of next month?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, my colleague's very relevant question gives me an opportunity to inform the members of this House—those who are interested in getting information, of course—that the Department of Canadian Heritage has already received half the proposed action and business plans from these departments and agencies and expects to officially receive all remaining plans by June 30, as requested. Furthermore, the 26 organizations concerned have designated co–ordinators in both Ottawa and elsewhere in the country—for organizations represented outside Ottawa—to ensure that plans are developed properly.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, this is the first question about one of many, many broken Liberal promises. It concerns the government's promise to replace the GST with a system that, among other things, is fairer to consumers. The Deputy Prime Minister promised to resign if such a replacement was not completed within one year after the election.

My question is for the Minister of Finance. Why has the government failed to deliver on this promise?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this government needs no incentive to repair the damage created by the GST, but if we did I can think of no greater incentive than to keep the Deputy Prime Minister in place.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, Reformers always knew that there exists no GST replacement that quoting from the red book "raises equivalent revenues, is fairer to consumers and small business and minimizes disruption to small business". There is not one replacement that could be created within one year.

• (1450)

My question is also to the Minister of Finance. Is this broken promise symptomatic of Liberal incompetence, or is it a sign of Liberal willingness to promise almost anything in order to get elected?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in listening to the member's citation at the beginning, I will take that as a representation from the Reform Party that we keep the GST as is.

However, it is with profound regret that I say to my colleague that as in many other things we are not going to accept the Reform Party's representation.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In another memo dated May 23, the CEO of the CBC informed his employees that 1,000 positions would be cut by September 1995 and that 350 employees would be laid off in the short term.

Mr. Beatty added that the exact number of positions to be cut in the various facilities remained to be determined, since management plans had not yet been approved by the resources planning and allocation committee.

Does the Minister of Canadian Heritage realize how anxious the French network staff, particularly in Quebec, are about the decisions this committee is about to make, given that francophones are a very small minority on this committee?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have explained time and time again in this House that we have several initiatives under way which should lead to fundamental decisions being taken concerning the CBC.

There is, for instance, the heritage committee, which will hopefully table a report in a few days, a few weeks at most. There is also a task force reviewing mandates. It is quite normal for the president of the CBC to care about the restructuring that his house, so to speak, is about to undergo in order to make it more effective.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, given that the budget for the CBC's French network is 40 per cent lower than that of the English network, in spite of similar viewership, does the minister undertake to direct the board of directors of the CBC to spare the French network?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the government will do much more than issue directives. It will implement policy in due time, and I have just said when that would be, when we have in hand the reports we requested.

* * *

[*English*]

PUBLIC SERVICE

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, my question is to the President of the Treasury Board.

I want to first congratulate the minister and the leader of the public service union on reaching an agreement to work together on managing downsizing of the public service.

For all of us who are concerned about the future of the public service and about the tens of thousands of employees who are worried about their jobs, I wonder if the minister would explain exactly how this agreement will help those affected by downsizing and how it will improve relations with the employees and unions.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, yesterday I signed a joint agreement with union leaders that will provide for joint adjustment committees to assist employees who are leaving the public service as a result of the downsizing that is taking place. This is in order to help them find alternate jobs. This will provide transition support services. For example, one such committee here in Ottawa next week is providing a job fair for a number of people who will be leaving the public service. So these joint management and union committees right across the country will assist on a regional, local, and departmental basis to help the people who are being displaced by downsizing to find new jobs.

[*Translation*]

THE ENVIRONMENT

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment.

According to the auditor general, in the next 30 years, it will cost $9 billion to safely dispose of the mountains of high–level radioactive waste mainly caused by electric power companies such as Ontario Hydro.

• (1455)

The federal government has already subsidized the development of these companies to the tune of $370 million, without devising safe ways and sites to dispose of such waste.

How can the Minister of the Environment justify that Canadian taxpayers are currently subsidizing Ontario Hydro to get rid of its nuclear waste, which accounts for close to 90 per cent of all such waste in Canada?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, The hon. member is right that the auditor general quite rightly identified that we have a long term radioactive waste disposal problem in the country.

The government is working on the problem. In March I went to my cabinet colleagues with a long term strategy to deal with the problem and I will return to cabinet in November with a timetable and with cost estimates as to how we will proceed in the future to deal with the nuclear waste problem in the country.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, after investing hundreds of millions of tax dollars in the construction of Ontario Hydro's nuclear power plants, how can the Minister of the Environment now guarantee that she will not ask Canadians across the country to absorb the costs of an operation which is Ontario Hydro's sole responsibility, while the federal government never invested Canadian taxpayers' money in Hydro–Quebec?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, I think I should make something very plain here. When I talk about developing a plan to deal with long term costs for radioactive waste disposal, I am talking about historic waste.

The hon. member is quite right that various utilities across the country generate energy through nuclear power and they are responsible for the disposal of those wastes. We operate on the basis of a polluter pay principle and we as a government are

working closely with those utilities to develop the safest and most cost–effective disposal mechanisms.

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UPPER NICOLA BAND

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, on Saturday, May 27, the Indians of the Upper Nicola Band erected barricades and dug trenches on the Douglas Lake Ranch road. The RCMP were met with threats of violence when they served a court injunction to remove the illegal blockade.

What action has the government taken to stop this illegal roadblock?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, I would like to inform the hon. member that the off reserve nature of the dispute makes it a provincial matter. I understand that it is being addressed by the relevant parties.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, clearly the Constitution Acts of 1867 and 1982 state in section 24 that the federal government has a statutory responsibility for Indians and lands reserved for Indians. Clearly this is a federal government responsibility. These people are breaking the law.

Will the government desert the people of my riding, as it has done before, or will the government cut off the funding to the Upper Nicola Band until it removes the roadblocks?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, the hon. member just said that these people are breaking the law. I did not get the first part of the question. I was not sure whether he meant the people who own the Douglas Lake cattle company are breaking the law or the aboriginal people are breaking the law.

However, if requested by the First Nations and the province, my departmental officials would be prepared to assist in resolving the dispute.

* * *

UPPER NICOLA BAND

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is to the parliamentary secretary to the Minister of Indian Affairs and Northern Development, regarding the same issue of the Upper Nicola Band.

• (1500)

The matter of grievance is definitely in the federal area of responsibility. A major confrontation is taking place. Nearly 200 First Nations people are on site this afternoon. There is bound to be violence on that blockade if action is not taken.

Will the parliamentary secretary ask the minister to involve himself personally, go out to the site and attempt to resolve these critical issues before violence occurs?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, I just responded to the previous question. I am sure we are all aware of the potential for an accident and that cooler heads should prevail on this issue. If requested the minister will be prepared to meet, but only if requested by the First Nations, the province and the others involved.

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FISHERIES

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

As there is an upcoming NAFO meeting in Toronto, can the Minister of Fisheries and Oceans provide the House with any new information on the status of the enforcement and quota measures that were agreed to in April? Could he also tell us what Canada's position will be at this meeting?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the member for her question and for her interest in the NAFO meeting in Toronto next week.

At this meeting all of the NAFO member states will consider the enforcement provisions contained within the Canada–EU enforcement agreement. It is our hope, indeed our desire, that the provisions contained in the agreement will be endorsed by members of NAFO.

I spoke as recently as yesterday to the ministers of fisheries from Norway and Iceland. My officials have spoken with representatives of other countries to ensure good strong support for these measures.

The current status of the agreement is that we have 100 per cent observer coverage working quite well offshore.

EMPLOYMENT

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, there were two parts to the economic plan outlined in the red book. The first was to get our finances under control and the second was to stimulate job creation.

My question is for the Minister of Finance. We have been bold in setting targets for reducing the deficit to 3 per cent of GDP. Why is there no target for a reduction in the level of unemployment?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member does not ask easy questions.

Canada, like many other countries, is undergoing a fundamental revolution in the job market. That is why the government is acting as it is with its reforms in employability by HRD, in research and development, in industry. It is why the access to capital for small business is so important.

All of these are in the area where one sets the climate for the private sector. Therefore the questions that arise are: Should government be setting targets in areas where it does not have at least as much control as it should over the public finances? What about the kinds of jobs, part time or full time? What about the problem of the working poor, which is almost as important? These are questions I believe have to be addressed within the context of the member's question.

The real answer is that no level of unemployment is acceptable.

* * *

PRESENCE IN GALLERY

The Speaker: Colleagues, I wish to draw to your attention the presence in the gallery of Baroness Brigstocke, the Conservative whip of the House of Lords of Britain.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

• (1505)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table, in both official languages and

pursuant to Standing Order 36(8), the government's response to four petitions.

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COMMITTEES OF THE HOUSE

INDUSTRY

Mr. Paul Zed (Fundy—Royal, Lib.): Mr. Speaker, pursuant to Standing Order 81(4), I have the honour to present, in both official languages, the sixth report of the Standing Committee on Industry concerning the order of reference dated Tuesday, February 28, 1995 relating to the main estimates for the fiscal year ending March 31, 1996.

HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Human Rights and the Status of Disabled Persons.

The committee has considered vote 15 under justice in the main estimates ending the fiscal year March 31, 1996 and now reports the same.

FINANCE

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 17th report of the Standing Committee of Finance on votes 1, 5 and 10 under national revenue in the main estimates for the fiscal year ending March 31, 1996.

May I thank the members from all parties for their splendid co–operation and constructive suggestions in our report.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I rise on a point of order. During the examination of the estimates of the Department of National Revenue, I pointed out department estimates on vote 1 were about $10 million higher than the amount specified in the federal budget submitted in February.

The transcript will show the motion that: "We approve the estimates in principle, reconciling them with the budget" was passed unanimously. The motion to reconcile was ruled out of order and is not reflected in the minutes being tabled today.

Because the department estimates of all departments are printed before the finance minister presents his budget, we have noted there will be discrepancies between ministry estimates and the finance minister's dollar allocation to these ministries.

The solution might include Your Honour recommending to the Minister of National Revenue that he submit a reconciliation, as unanimously requested by committee members. If this was taken as precedent, your ruling would take a giant step to putting the members in charge of expenditures of taxpayers' dollars.

In summary, as a standard procedure when there is a difference between estimates and the budget, a reconciliation should be tabled by the minister when department estimates are tabled by a standing committee.

The Speaker: The Chair is in an in between position here. It is not for the Chair to make specific suggestions, but I wonder if the hon. member might recommend that this request be made through the committee itself when bringing in its report.

Second, perhaps this question could be brought up later on when supply is discussed. However I do not believe it is the position or the prerogative of the Chair to intervene on this and I would decline to do so at this time.

• (1510)

HEALTH

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Health, pursuant to Standing Order 81(4) and 81(7), following consideration of the evidence heard over the past month from the Minister of Health and a number of her officials, as well as representatives from the Medical Research Council, the Patent Medicine Price Review Board and Hazardous Materials Information Review Commission.

We are pleased to report the votes for the main estimates for the year 1995–96.

[*Translation*]

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I have the honour to table the eleventh report of the Standing Committee on Public Accounts.

Pursuant to the order of reference of Tuesday, February 28, 1995, our committee has considered the budgetary vote for the office of the auditor general in the main estimates and has agreed to issue a report. The public accounts committee has analyzed vote 35 under finance in the main estimates for the 1995–96 fiscal year and gives its unanimous consent.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 79th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on the Environment and Sustainable Development. With leave of the House, I intend to move for concurrence in this report later this day.

[*English*]

Mr. Speaker, I have the honour to present the 80th report of the Standing Committee of Procedure and House Affairs. The committee considered Bill C–85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, and has agreed to report it without amendment.

I may say that due to the very persuasive testimony given by the President of the Treasury Board, the committee adopted every clause in the bill without amendment unanimously.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, a point of order.

I bring to the attention of the House that unanimous agreement on Bill C–85 includes only the Liberal and Bloc Quebecois members. Reform members did not agree with the one–day fast tracking of Bill C–85, and refused to participate in the 12–minute clause by clause.

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second and third reports of the Standing Committee of National Defence and Veterans Affairs, concerning the main estimates for 1995–96.

The Speaker: Forgive me, were you presenting the second and third reports together?

Mr. Proud: Yes.

[*Translation*]

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Human Resources Development, regarding the information under the heading "Human Resources Development" in the main estimates for 1995–96.

The committee reviewed the main estimates and submits its report without amendment.

[*English*]

CITIZENSHIP AND IMMIGRATION

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Citizenship and Immigration in relation to the main estimates for the fiscal year ending March 31, 1996.

* * *

[*Translation*]

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I ask for unanimous consent to withdraw my private bill, Bill C–308.

• (1515)

This bill is similar to Bill C–313 which was debated in this House on May 19.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

(Bill withdrawn.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with leave of the House, I move that the 79th report of the Standing Committee on Procedure and House Affairs, which was presented to the House today, be concurred in.

(Motion agreed to.)

* * *

[*English*]

PETITIONS

YOUNG OFFENDERS

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, in accordance with Standing Order 36, I wish to present a petition signed by over 3,000 people from Halifax West and other areas of Nova Scotia. The petitioners believe that all those who commit crimes of a serious nature regardless of age should be tried before the adult court system.

TOBACCO

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, this petition on the negative effects of tobacco was commenced during national non–smoking week 1995. Over 25,000 young people and 40 youth organizations from across the country have signed on.

Four representatives of this group are in the gallery today I am told. They have met with leaders and representatives of all federal parties, including the Deputy Prime Minister. These young people recognize that the tobacco industry is targeting young people. They are calling on all legislators to begin to target this industry as its product continues to addict and ultimately kill thousands of young Canadians.

[*Translation*]

This petition will have a profound effect on the welfare of our young people.

[*English*]

HUMAN RIGHTS

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have three petitions before me. The first is signed by 236 members of my riding. It calls for Parliament to oppose any attempt to include sexual orientation in the human rights act or the charter of rights and freedoms. The petitioners feel such inclusion would infringe on the historical rights of Canadians and I share their views.

DANGEROUS OFFENDERS

Mr. Charlie Penson (Peace River, Ref.): The second petition, Mr. Speaker, is signed by 342 people from my riding. It concerns the subject of high risk offenders who commit personal injury crimes.

The petitioners call on Parliament to enact Bill C–240 and future legislation that permits detention of high risk offenders after the completion of their sentence. This measure is suggested by the petitioners to lower the occurrence of personal injury crimes committed by these individuals. I agree with the petitioners.

GUN CONTROL

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, the third petition I have before me is signed by 670 members of my riding. It has to do with firearms control.

These individuals ask Parliament to support legislation that severely punishes all criminals who use firearms and commit criminal act, supports the Criminal Code provisions that protect the rights of law–abiding citizens to own and use recreational firearms, and supports the repeal of legislation regarding firearms that has not lowered crime, has not been cost effective or is overly complex, making it inefficient or unenforceable.

DANGEROUS OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise again to present another petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

These petitioners urge the government to enact legislation in order to make our streets safer for law–abiding citizens and the families of victims of convicted murderers.

GUN CONTROL

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I rise in the House today to present two petitions. One has been sent to me from Frankfort, Ontario and the other is from constituents of mine.

These petitions come from two different provinces yet they request the very same thing, that Parliament refrain from implementing a more restrictive control of firearms that will affect only law–abiding citizens.

• (1520)

They request that more effective prosecution and tougher sentencing of criminals be carried out. The target for gun control

laws in the Criminal Code of Canada must be the criminals who are either a danger to the safety of the public or those who have criminal intent, not law–abiding responsible firearm owners.

I thank all of those who signed the petition. I concur with their sentiments.

HUMAN RIGHTS

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, this petition is signed by 1,042 people from my constituency who are very concerned about the sexual orientation phrase being included in the charter of rights and freedoms. I concur with their concern.

FEDERAL LEGISLATION

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, in my capacity as a member of Parliament, I am presenting five petitions dealing with objections to changing various pieces of federal legislation involving the extension of criteria in those pieces of legislation.

DRUNKENNESS DEFENCE

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I present a sixth petition which calls on Parliament to make it impossible to use extreme drunkenness as a defence in any criminal case. I am very pleased to present this petition.

HUMAN RIGHTS

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, in accordance with Standing Order 36, I rise today to present several petitions as requested by constituents of Essex—Windsor from Amherstburg, Maidstone and La Salle, Ontario regarding their views on sexual orientation in the Canadian Human Rights Act and the Canadian Charter of Rights and Freedoms.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present a petition signed by a number of constituents from Fredericton—York—Sunbury. They call on Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

ASSISTED SUICIDE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, I have the honour to present a petition which is signed by hundreds of residents from throughout British Columbia and particularly from Vancouver Island.

The petition draws to the attention of the House the fact that the current Criminal Code denies people who are suffering from terminal or irreversible and debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician.

The petitioners call on Parliament to amend the code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at a time of their choice, subject to strict safeguards to prevent abuse and to ensure that the decision is free, informed, competent and voluntary.

[*Translation*]

BREAST CANCER

Hon. Audrey McLaughlin (Yukon, NPD): Mr. Speaker, I have two petitions to present today. First, a petition from women across Canada concerning breast cancer. More than 5,400 Canadian women will die of breast cancer this year and about 19,000 new cases will be diagnosed.

Your petitioners humbly pray and call upon Parliament to urge the government to co–operate with the provinces and territories on establishing centres of excellence in each of the provinces and territories, to establish a national information and telephone support service, and to provide the requisite basic funding for support groups that help breast cancer patients.

[*English*]

GUN CONTROL

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, this petition is from constituents of mine from all communities in Yukon.

These petitioners state that whereas there is no connection between gun control legislation and a decrease in occurrence of criminal activity. Whereas all handguns in Canada are required by law to be registered, they feel that implementing more restrictive firearms controls will affect only law–abiding citizens and is unjustifiable. They feel that responsible governments should follow more effective prosecution and tougher sentencing of criminals.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, it is an honour and a privilege for me to rise today to present 343 petitions signed by 9,144 concerned Canadians primarily from the province of Saskatchewan.

The petitioners protest the following provisions of Bill C–68: the universal registration of long guns; the replacement of the firearms acquisition certificate by a firearms possession certificate; restrictions and controls on the purchase of ammunition; provisions to ban the purchase and use of .25 and .32 calibre handguns and handguns with a barrel length of under 4.14 inches; and regulation by orders in council.

• (1525)

These petitioners call on Parliament to refrain from passing Bill C–68 as it presently stands with the above mentioned provisions.

I will not go through all of these petitions because of the great number of them.

HUMAN RIGHTS

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, I rise today to present four petitions on behalf of 162 citizens, many of whom are members of my constituency of Trinity—Spadina.

The petitioners call on the Government of Canada to amend the Canadian Human Rights Act so as to protect individuals from discrimination based on sexual orientation.

On behalf of my constituents I humbly submit these petitions.

ASSISTED SUICIDE

Mr. David Walker (Winnipeg North Centre, Lib.): Mr. Speaker, I have three petitions to present on behalf of constituents.

The first petition deals with palliative care and the decriminalization of assisted suicide.

RIGHTS OF GRANDPARENTS

Mr. David Walker (Winnipeg North Centre, Lib.): Mr. Speaker, the second petition deals with the rights of grandparents.

JUSTICE

Mr. David Walker (Winnipeg North Centre, Lib.): Mr. Speaker, the third petition deals with returning convicted persons to jail.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36 I present a petition which has been circulating across Canada. This particular petition comes from the Cold Lake, Alberta area.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home for preschool children, the disabled, the chronically ill, or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the disabled, the chronically ill, or the aged.

MINING INDUSTRY

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is a privilege to present a petition on behalf of a few hundred residents from Kamloops, Logan Lake, Fraser Lake, Endako, Salmon Arm, Sorrento, Burns Lake, Fort Fraser, Prince George, Vanderhoof, Vernon and Barrière.

The petitioners point out that the mining industry is a mainstay of employment in over 150 communities across Canada and is an important contributor to our country's gross domestic product. Its total exports are a cornerstone of our economic future. The petitioners simply point out to Parliament that the Canadian Mineral Industry Federation has proposed a 10–point plan of action. They are asking the Government of Canada to take action on these recommendations to ensure that we rebuild Canada's mineral reserves.

DANGEROUS OFFENDERS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I have a second petition to present which has been signed by a number of residents of the central interior of British Columbia.

The petitioners point out that Canadians, mainly women and children, are becoming increasingly fearful of walking on our streets and in our neighbourhoods. They believe that many violent and sex offenders are being paroled prematurely, are being released without proper treatment and rehabilitation, and a whole number of other issues.

The petitioners ask that the House of Commons and the Minister of Justice take whatever steps are necessary to amend Canada's Criminal Code and parole system to ensure that safety and peace return to our neighbourhoods.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 176 will be answered today and I would ask that the remaining questions be allowed to stand.

[*Text*]

Question No. 176—**Mr. Harper (Calgary west):**

With regard to the multiple cheques issued by the government to individuals within a short period of time, for example OAS, CPP, civil and military service pensions, (*a*) what consideration has been given to combining all of the cheques sent in a month to an individual into a single payment, (*b*) how much does it cost to issue and mail each individual cheque and (*c*) has the possibility of issuing a single cheque to married couples been considered?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib): Public Works and Government Services Canada is continuously looking at ways of improving service delivery and reducing the costs of cheque production and distribution, from the consolidation of cheque processing sites from 11 to 4, which will save $4.8 million annually after implementation, to increased use of direct deposit.

Public Works and Government Services Canada, PWGSC, issues payments on behalf of other program departments in the amounts and according to the schedules determined by those departments. Program departments determine individual entitlement to benefits in accordance with the policy and legislation governing specific programs. This process precludes PWGSC from adding up the benefits under various programs and issuing a single payment to an individual.

Should the department decide to consolidate various benefits paid monthly into a single payment, individual program departments would require legislative and policy changes for their specific programs. Major changes would also be required to the computer systems of program departments and PWGSC.

Public Works and Government Services Canada issues approximately 193 million payments annually. Approximately 34 per cent are currently delivered electronically in the form of direct deposit.

The average cost to issue a cheque, including production costs, banking fees and postage, is approximately one dollar. With the use of direct deposit significant savings are realized through reduced postage and banking fees as well as reduced cheque production costs. Direct deposit costs the government only one cent in banking fees compared with 10 cents for each paper transaction.

As another important step to streamline operations and reduce costs, the Minister of Public Works and Government Services recently announced that direct deposit will become the government's standard method of payment. This expansion of the use of direct deposit is expected to save the government $18 million to $20 million annually by 1998–1999.

Program departments accord benefits in accordance with their legislation. In cases where individuals are entitled to payments based on individual characteristics separate payments must be issued as there is no authority to treat a married couple as a single beneficiary.

[*English*]

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

[*English*]

ACCESS TODAY, 1995

The Deputy Speaker: Colleagues, I am very pleased to lay upon the table a document entitled, "Access Today, 1995", a review of the initiatives taken by the House of Commons to serve Canadians with disabilities.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1995

The House proceeded to the consideration of Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Deputy Speaker: The form of the ruling on the report stage of Bill C–76 will depart from the manner normally used in the House. Following consultations with representatives of the House leaders' offices, it has been decided that whenever the nature of the ruling is complex we will use a more simplified form to explain to the House how report stage amendments will be grouped and how the voting will proceed. We are doing this for the sole purpose of demystifying, hopefully, the process.

• (1530)

[*Translation*]

I propose to deliver in the House a short form of the ruling, giving only the groupings of amendments for debate. Of course, the entire ruling, including the voting patterns, is available to you at the table. The Chair will inform the House of the patterns for each group at the time those motions are to be voted on.

[*English*]

There are 78 motions in amendment standing in the Notice Paper for the report stage of Bill C–76, an act to implement certain provisions of the 1995 budget.

Motions Nos. 13, 15 and 16 have been withdrawn.

Group No. 1 is Motions Nos. 1, 2, 3 and 4.

[*Translation*]

Group No. 2 is Motions Nos. 5, 6, 7, 8, 9, 10, 11, 12, 14, 17, 18, 19, and 74.

[*English*]

Group No. 3 is Motions Nos. 20, 21, 22, 75, 76, 77 and 78. Group No. 4 is Motions Nos. 23 to 45. Group No. 5 is Motions Nos. 46 to 63. Group No. 6 is Motions Nos. 64 to 67.

[*Translation*]

Group No. 7 is Motions Nos. 68 to 73.

[*English*]

I would now propose Motions Nos. 1, 2, 3 and 4 to members of the House.

MOTIONS IN AMENDMENT

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 1

That Bill C–76, in Clause 3, be amended:

(a) by replacing line 10, on page 3, with the following: "of the program,"; and:
(b) by replacing line 17, on page 3, with the following: "able job offer, and

(iii) shall in no circumstances make a payment to a suplus employee who has not performed any work."

[*Translation*]

Hon. David Anderson (for the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec), Lib.) moved:

Motion No. 2

That Bill C–76, in Clause 7, be amended in the French version, by replacing lines 8 and 9, on page 7, with the following:

«ou à toute personne appartenant à l'administration publicque fédérale.»

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 3

That Bill C–76, in Clause 8, be amended by replacing lines 26 and 27, on page 7, with the following:

"the employee, under a closed competition exclusively open to employees declared surplus within the meaning of the Workforce Adjustment Directive under the Public Sector Compensation Act, to another".

Motion No. 4

That Bill C–76, in Clause 8, be amended by adding after line 37, on page 7, the following:

"(6) Under no circumstance shall the Commission appoint a participant in a program designated by the Treasury Board as an employment equity program to a position that could be occupied by a surplus employee within the meaning of the Work Force Adjustment Directive under the Public Sector Compensation Act."

[*Translation*]

The Deputy Speaker: I would like to point out to the House that on page XVIII of today's Notice Paper, Motion No. 4 in English should be read as standing in the name of Mr. Speaker (Lethbridge) and amending clause 8.

[*English*]

Mr. Speaker (Lethbridge): Mr. Speaker, I thank you very much for the opportunity to discuss Bill C–76 and the amendments thereto.

I want to make general comments then some specific comments with regard to the amendments.

With regard to the amendments before us that deal with public service measures, we generally support the government's decision to suspend the workforce adjustment directive and eliminate some 45,000 positions in the public service. However, we feel there are some concerns and because of that we have moved Motions 1, 3 and 4.

With regard to our first motion, on clause 3, we are concerned that some employees will be declared surplus and be paid for a period of six months without doing any work. Officials have confirmed to us that this would be possible with the way the bill is written at the present time.

With regard to clause 8, we have concerns that the legislation gives the Public Service Commission too much flexibility in appointing surplus workers to jobs in other departments. We would prefer that the appointments be subject to the competitive process in order to prevent any type of favouritism, cronyism, or unfair competition. We think the commission should be given the power to hold a closed competition confined to surplus employees only.

With regard to clause 8, we are concerned the employment equity programs will be used to further the goals of employment equity during this period of downsizing. As I recall, earlier in this session the minister responsible for the public service mentioned that this would be one of the criteria taken into consideration. We feel that this could happen as a result of people being appointed without competition to jobs that would otherwise be occupied by surplus workers.

• (1535)

Those are the motions that will be looked at with regard to that. My colleague, the critic who is responsible for that in terms of the public service, will be making further comments on those amendments to the House.

I think we have to understand the broader picture and the reason for Bill C–76. Bill C–76 has as its purpose to deal with the fiscal circumstances of Canada. It is to deal with the deficit in some way.

We have to recognize that we have a very serious circumstance. We have said this many times in this House. My hon. colleague from Vancouver points out to me often that every day we have a deficit of some $100 million between the revenue that is available for us to take our responsibilities as a federal government and the expenditures that take place on a daily basis. That is $100 million a day in terms of a deficit. If we put that over a one–year period we have the accumulated deficit of this country, as projected in the current budget for 1995–96, of some $32.7 billion.

If we look at what has happened with regard to the public debt charges during that period of time from 1994–95 to the budget of 1995–96, our debt charges in this country have increased from some $42 billion to $50 billion. They have increased for two very basic reasons. First, the deficit is not being dealt with by this government. It continues to add on to the accumulated debt of the country of some $550 billion today. This is heading toward a major sum. From the government's own figures, it points out that the net public debt by the end of 1995–96 will be some $578 billion and by 1996–97 it is projected to be over $600 billion.

Because of that increased accumulated debt, the interest costs to the Government of Canada continue to increase. This has a major effect on the budget of Canada and the revenue available to administer and take care of the responsibilities that have been delegated to the federal government in this country.

That is certainly one of the factors, the fact that the deficit continues to add to the accumulated debt and that larger accumulated debt creates a larger base on which the interest costs are enormous.

The second factor, which is very obvious to all of us, is the increased interest costs that have occurred during the past year. For example, in the United States the Federal Reserve Bank has increased the interest rates over the last year seven times, and every time the interest rates have increased in the United States it has had a direct effect on the interest rates here in Canada. Over the year, we have had an increase of 3 per cent in interest rates, which has again affected the amount of interest we pay as a government annually.

It is seriously affecting the programs that are to be delivered by the federal government. I have already mentioned that for 1994–95 the cost of our debt charges from the cost of interest was in the $42 billion range. Now in 1995–96 it is projected to be $50 billion. We have had an additional $8 billion of interest costs because of that 3 per cent interest rate increase and also the larger base of debt in this country.

What has that done? It means that in order to try to deal with the deficit we must in some way eliminate expenditures of some $8 billion just to cancel that out. Well, that is not that easy to do. The government has come up with certain measures. For example, it has increased tax revenue by $1.5 billion to $2 billion. Well, that is only 25 per cent of the increased interest costs. Where does the other $6 billion come from?

• (1540)

The government has attempted through other means to secure that expenditure reduction and at the same time in its budget is attempting to reduce the cost of program spending from $118 billion down to $114 billion, a reduction of $4 billion.

If we could have maintained at least the base from which interest is calculated, if we could have stopped the accumulation of debt by eliminating the deficit, we would have had more money to reduce the expenditures of government. There would have been more confidence in the Canadian economy and the interest rates would have been lower because we were balancing the budget or we had a plan to balance the budget.

Missing from the budget is the fact that the Liberal government has not put in place a plan to reduce the deficit from the projected deficit in 1996–97 of $24.3 billion down to zero. It is afraid to take the next step and say to Canadians we are going to take the deficit to zero by this plan. The government is afraid to stick its neck out and make that commitment to Canadians. That is costing us billions of dollars in higher interest rates.

If we had at least held our interest costs in 1995–96 at $42 billion, where they were in 1994–95, rather than the increase of $8 billion I have talked about, we would not have had to reduce our expenditures by $4 billion. We would have had an extra $4 billion to work with. That is what the government should have been looking at.

We can go through all these amendments and all the items we are going to deal with in Bill C–76, but we must get back to the basic problem we are facing. That is, the Government of Canada has not declared to the people that it will balance the budget during the term of this Parliament. It has not clearly said that, and it is incumbent upon them to do so.

Moody's and the Dominion Bond Rating Service have told the Government of Canada clearly: "In order for us to give you a better credit rating, which reflects on interest rates, you must commit to a plan".

As we go through these amendments we must keep in mind the very first item on the agenda, which is dealing with the deficit and stopping the growth of debt, which is destroying the country.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I would like to deal with each of these four amendments in turn, because they hit on some of the essentials of what we are trying to do as a government to deal with the public service.

I extend my thanks to the critics from the official opposition and from the third party for their work in the finance committee under the chairmanship of the member for Willowdale. I thought it was an outstanding collegial example of how to deal with a very difficult and major piece of legislation. I describe the treatment of witnesses as exemplary by all members of Parliament.

With regard to the first motion, I would like to clarify what the intent of the legislation is. The surplus period is a notice period that the employee's job will end in six months. By definition the surplus employee will have a job for six months. I do not want the amendment to leave the impression that there is a system set

up where people will be sitting around for six months. It has always been the practice of departments to plan their surplus declarations in this manner.

• (1545)

There are some exceptions to this rule which should be clarified. I can give an example of a military base closing prior to the six month period. We consider it costly for the government to transfer surplus employees to find jobs which may only last a month or two. It is more practical to leave them where they are until the six months have run out. In that case the legislation will have to build in these rare exceptions.

Motion No. 2 is a technical change dealing with the wording the drafters have which now has to be changed.

[*Translation*]

The motion reads as follows: "That Bill C–76, in Clause 7, be amended in the French version, by replacing lines 8 and 9, on page 7, with the following: «ou à toute personne appartenant à l'administration publique fédérale».''

[*English*]

The third motion by the member for Lethbridge deals with clause 8. It appears the purpose of the amendment is to ensure competent employees are retained through the exercise of priority for surplus employees. Surplus employees are generally highly competent and their employment is in jeopardy for reasons beyond their control. The priority accorded to them ensures these competent people are retained in the public service and that the investment made in their training and development is not lost. A surplus person must be determined qualified in order to be appointed. It is not necessary to hold competitions to ensure competent employees are retained.

Section 10 of the Public Service Employment Act which establishes that employments are to be based on merit does not require that these appointments be made by competition.

The purpose of clause 8 is to make it possible for deputy heads to place their own surplus employees before having to consider priorities from other departments. The intent is to allow departmental restructuring and downsizing in a humane and efficient way.

The delays involved in holding competitions lead to a longer period of uncertainty which is destructive to morale. Further, there are significantly greater costs involved in running competitions rather than considering people on a non–competitive basis.

While competitive processes may be seen as being fairer and more transparent there are a number of reasons why other considerations may be overriding in certain situations. For some surplus employees there is a very limited period during which they can be considered for the positions. If a competition had to be run, especially national in scope, this period could be exhaustive while the longer processes that would have been involved in that competition have gone through.

The amendment is also not consistent with the other provisions for priority entitlements in the act which provide for appointments without competition in priority situations.

As drafted, the amendment creates internal inconsistencies within the clause that would require redrafting. In particular, the need to hold a competition is in conflict with the discretion given to the public service commission to formulate an opinion as to whether an employee is qualified.

The fourth motion presented by the member for Lethbridge is also an amendment to clause 8. The effect of this amendment is to remove the commission's current discretion under paragraph 35(2)(d) of the Public Service Employment Act to exclude appointments made under employment equity programs from the operation of the various sections of the act which give priority entitlement.

Parliament chose two years ago through the Public Service Reform Act to give the commission the discretion it now enjoys. It also is currently considering amendments to the Employment Equity Act which would give employment equity programs more rather than less precedence in the public service. It is the government's place to decide what emphasis it wishes to put on these areas.

Although the commission has chosen not to exclude these programs from consideration of priorities, this does not mean there would not be times when this would not be the right thing to do. The amendment would prevent the commission from exercising this discretion in future where it considers it necessary to achieve employment equity objectives.

In reality the effect of this amendment is to defeat the effort made by the government for disadvantaged groups. This would be a setback in that it would allow surplus priorities to be placed ahead of disadvantaged group members. I know that would not be the objective of this member who has had a long public career and has been involved with disadvantaged groups in his home province before coming to the federal scene.

• (1550)

It is still the objective of the government to have the public service reflect the demographic configuration of our society. This motion would stall the effort we have all been making.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, a number of things have already been said about the amendments to Bill C–76. However, much remains to be said, and we fully intend to do so in the days to come. I would now like to comment on the motions being presented by our Reform Party colleagues.

The first motion says that a surplus employee who has not performed any work should not receive any money. I am afraid that if this amendment is passed, employees who lose their jobs would no longer be eligible for severance pay. That would be unfortunate, since severance pay is not intended as a gift to the employee who loses his job. It is meant to compensate him for the fact that he is penalized by the loss of his job. Severance pay is also a reminder to the employer that there is a price to pay for getting rid of a certain number of employees.

It would be too easy for the employer to say: I am going to cut my staff and get rid of 25, 50, 100 or 200 employees, depending on the size of the company. It would be too easy to be able to do this with impunity, without having to compensate people who, after all, are human and, in most cases, have dedicated a good part of their lives to their employer.

Severance pay must be included, and under no condition should we pass amendments that would allow the employer to dispense with severance pay.

Motion No. 2 says that the text is to be amended by replacing it with «à l'administration publique fédérale». The wording of the bill is as follows: "Any person authorized pursuant to subsections (1) or (2) to exercise and perform any of the powers and functions of the governor in council or the Treasury Board may, subject to and in accordance with the authorization, authorize any other person. . . who is part of the Public Service of Canada—"

There are certain distinctions in the public service, and I am afraid that other agencies that are part of the public service might be excluded if this kind of amendment is passed, because one is not necessarily under the jurisdiction of the public service when one is part of the public service. The government still has certain obligations to those employees.

As for Motion No. 3, there would seem to be a better case for this amendment because it would oblige the government, when it wants to replace a surplus employee, to offer the position "under a closed competition exclusively open to employees declared surplus within the meaning of the Workforce Adjustment Directive under the Public Sector Compensation Act, to another".

Still referring to clause 8 of the bill, according to its present wording, the Commission could, before the layoff becomes effective and if it is of the opinion that it is in the best interests of the Public Service to do so, appoint the employee, without competition and in priority over all other persons, to another position under the jurisdiction of the deputy head for which, in the opinion of the Commission, the employee is qualified.

We believe that this particular wording gives the Commission too much discretionary power and that the Commission should be more strictly regulated.

• (1555)

I think that the purpose of Motion No. 3 tabled by the hon. member from the Reform Party is to require the commission, whenever such a situation arises, to replace the employee by way of a closed competition, not by a competition that would bring another person into the system so that the number of employees would rise again. No.

I think that the amendment is justified because it is aimed at restricting the competition to public service employees declared surplus. Instead of leaving these people without protection, in case other jobs are ever created, this amendment gives them a kind of recall priority. It would allow those already declared surplus to be called back to work—after a competition, of course—because the goal is to put people in positions for which they are qualified. We think that a closed competition would be more equitable to surplus employees and give much less discretionary power to the commission.

Motion No. 4, which is also part of the first group, would prevent the commission from appointing a person already participating in a program designated by the Treasury Board as an employment equity program. In other words, the commission would be prohibited from appointing a participant in an employment equity program to a position that could be occupied by a surplus employee within the meaning of the work force adjustment directive.

I think that we would be replacing one form of discrimination by another, for example, in favour of employees who are already protected as members of what we call visible minorities. It has been agreed that visible minorities would be those minorities currently recognized, that is to say persons with a disabilities, aboriginal people, people of a different ethnic background or non–white in colour, in a word those visible minorities the legislation was intended to protect. But with an amendment such as this one, we would be giving even more prominence to these minorities by saying in essence: "You guys will get to take the place of employees who have been declared surplus." It is bad enough for employees to be declared surplus and lose their jobs, without making matters worse by discriminating against them, in favour of a visible minority group that is already afforded a certain degree of protection. Women are also considered a visible minority under certain agreements.

When employment equity and fairness to all is the goal, it is not by penalizing one group of employees that the goal will be achieved. That has just not happened. An employer who wants to achieve employment equity in his business does not start laying people off, only to replace them with a larger number of people from a group described as a visible minority. What he does is take advantage of jobs opening up to make adjustments, to restore balance within the organization and attain some stability, a certain degree of equity between various groups, gender equity, wage equity, racial equity and equity between people with disabilities and those who do not have disabilities. That is how an employer can manage to meet modern standards, decent standards of employment equity.

He does not tell an employee already penalized by a layoff: "What a shame. We have an opening, but instead of rehiring you, we will give the preference to an employee who already enjoys some degree of protection as a member of a visible minority".

• (1600)

All employees should be on an equal footing. I think that there should be no exceptions when the time comes to recall employees who may have lost their jobs prematurely.

I do not know how much time I have remaining. Do I have time for a few more comments? I gather that your silence means that I do, Mr. Speaker.

Based on the foregoing, the Bloc Quebecois cannot support Motions Nos. 1, 2 and 4. On the other hand, Motion No. 3 appears to be much more reasonable, seeking a form of equity at work that is in line with our standards of sound human resources management. We will therefore support Motion No. 3.

I thank you, Mr. Speaker, for having given me your undivided attention. For the time being, those are the comments I had on this bill.

[*English*]

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I am sure that you will be listening just as religiously to my arguments as I talk about Bill C–76, the Budget Implementation Act.

It is a little unfortunate that at this late date we are discussing the implementation of February's budget some months later. It seems that as time passes and we get away from the budget process the government is hoping people will forget about some of the fiscal crises the country will still have to go through because of some decisions taken and some decisions not taken in last February's budget.

It is interesting how we get taken up with other issues in Parliament when this overriding fiscal issue will drive the agenda in the months and years to come whether or not we like it. It is good to get to the fiscal issues.

I would like to speak specifically to the first group of amendments to Bill C–76. I am most interested in Motions Nos. 1, 3 and 4 within the group. I remind all members that the first 10 clauses of Bill C–76 contain changes to the way we address the public service and changes to the workforce adjustment directive brought in by the government in the February budget.

These changes mark a breach of a very clear and explicit promise by the Liberal government upon implementation of the budget. On July 22, 1994 the President of the Treasury Board wrote to the public service union. I think members opposite will be very interested in what he said. I quote from the letter to the public service union:

> This government has stated in the past, and remains committed to the principle, that the employment protection provisions in the workforce adjustment directive will only be changed through negotiations.

We all know what happened in the February budget. Like so many other Liberal promises, the promise to negotiate changes to the workforce adjustment directive went by the wayside. The government is now legislating change and the promise made by the President of the Treasury Board on July 22 is no longer being upheld.

We in this party have always said we felt the workforce adjustment directive would have to be changed. We said that consistently. We said there would be some layoffs in the public service. We said that consistently. We did not change the story after the election. We kept the same story with the same truth from start to finish. It is unfortunate that the double tongued Liberals have decided to change the directive after they promised not to do so.

• (1605)

They should never have promised it in the first place. If they knew they would not keep it, that they would not be able to do it and that they would legislate it, they should have been honest enough to say that up front. At least the Reform Party has been consistent in its belief of what would have to happen to the workforce adjustment directive. I remind the public service unions and members opposite that the government has backed out on another promise.

Another firm promise was made by the President of the Treasury Board in the House with respect to Motion No. 1. He promised that no public servant would be paid if he or she was not doing work. The promise was made in response to reports that this was happening in the public service. We tried to find out more particulars, but it seems there are no reporting requirements from departments to the Public Service Commission on how many people are being paid to stay at home or paid not to work under the workforce adjustment directive. Unfortunately we cannot get exact numbers, but we extracted a promise from

the President of the Treasury Board that no one would be paid if he or she were not working.

However, from the briefing departmental officials gave us on the bill, we learned that there may in fact be a six–month period when a public servant's position might be declared surplus. Then the public servant would be paid for six months without having a job to do.

The first amendment simply calls on the government to fulfil the promise it made in the House which basically said that if a person is not working he or she will not be paid. That is something Canadians want and expect. Even public servants recognize that obviously they cannot be paid if there is no work to do.

The second motion I would like to speak to amends clause 8. It would give power to the Public Service Commission to appoint employees without competition. The last part of clause 8 reads as follows:

> —the Commission may, before the lay off becomes effective and if it is of the opinion that it is in the best interests of the Public Service to do so, appoint the employee, without competition and in priority to all other persons, to another position under the jurisdiction of the deputy head for which, in the opinion of the Commission, the employee is qualified.

We have some real problems with the power that provision would give to the government. It flies in the face of the whole idea of competition and merit in the public sector. Western democracies have always depended on a series of checks and balances. This is born out of a basic mistrust of government, an attitude that says: "We might think you are nice right now, but we do not know what you will do later on if there are not checks and balances in place, so we need to put those checks in there while things are still smooth". One of the reasons we have opposition parties in the House of Commons is to provide checks and balances.

Checks and balances are vital to the health of the country. When we see that an opposition party, for example in some third world country, is being mistreated by the government, we see that democracy and the country in general are in trouble.

There are checks and balances in the system in Canada. One check against nepotism, bribery and other forms of corruption in government is the competitive process developed in Canada for public service jobs. This means that people get jobs through merit, not because they are someone's friend or they contributed to someone's campaign or happen to know someone in an inner sanctum somewhere. The process is open. It is fair. It means that we get the best person for the job. That is what competitions do. The selection process within the federal government is quite fair for the most part. That is why I felt such a concern when I read clause 8 of Bill C–76.

I realize we are in a period of flux in Canada following the Budget Implementation Act. Departments are downsizing and things are a bit chaotic. During this time of downsizing and readjustment within the priorities of the departments, controls and vigilance on the merit principle are perhaps not as strong as usual. The clause as it stands now would empower the Public Service Commission at this chaotic and stormy time to:

> —appoint the employee, without competition—to another position under the jurisdiction of the deputy head for which, in the opinion of the Commission, the employee is qualified.

• (1610)

This is a dangerous trend to get away from the merit principle. Reformers believe that a system of checks and balances is the only way to ensure that corruption is weeded out of the system and that the competitive process is the check on errors in hiring in the public service. It is missing because of this clause.

All sorts of irrelevant qualifications could be used here from good friends of decision makers to relatives, to political friends and so on, if it is just in the opinion of the deputy head that a person should be appointed. We think that is wrong. The way the clause reads now, a manager could use it to settle a score with someone. He or she could use the clause as a tool to get back at someone who has not been co–operative in the downsizing. At any rate people can be appointed without consideration of merit by using the clause.

We agree with the idea that the commission should be able to appoint surplus employees to different departments because during this time the government needs the flexibility to preserve the best of our human resources. However to do it outside the competitive process is a big mistake.

Our amendment would ensure that the Public Service Commission still has the power to appoint employees, but it would require that a competition be held among surplus employees for the jobs across the public service. This would ensure that the merit principle is preserved and would be fair therefore to surplus employees. Even government members would be able to support the amendment.

I have another motion I would like to talk to. Perhaps in the next round of motions I will speak to a very important motion about how employment equity is affected by the bill.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Motions Nos. 1, 2, 3 and 4 will be voted on separately. The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

An hon. member: On division.

(Motion No. 1 negatived.)

Mr. Strahl: Mr. Speaker, I rise on a point of order because I need some clarification. I know that like motions are grouped, but do we vote per motion or do we vote for the group of motions?

The Deputy Speaker: It is very confusing. The member is quite right. As I indicated earlier, we would vote on the four motions individually. We voted on the first one and it was defeated. We are now voting on Motion No. 2.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

An hon. member: On division.

(Motion No. 2 agreed to.)

The Deputy Speaker: The next question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

• (1615)

The Deputy Speaker: Pursuant to Standing Order 76.1(8), the recorded division on the motion stands deferred.

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), the recorded division on the motion stands deferred.

[*Translation*]

We now move to group No. 2, which includes Motions Nos. 5, 6, 7, 8, 9, 10, 11, 12, 14, 17, 18, 19, and 74.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ) moved:

Motion No. 5

That Bill C–76 be amended by deleting Clause 11.

Motion No. 6

That Bill C–76, in Clause 12, be amended by replacing line 11, on page 9, with the following:

"12. Paragraph 47(*b*) of the National Transportation Act, 1987 is replaced".

Motion No. 7

That Bill C–76 be amended by deleting Clause 16.

Motion No. 8

That Bill C–76, in Clause 17, be amended by replacing lines 20 to 22, on page 10, with the following:

"branch line or a segment of it than to continue to make payments under".

Motion No. 9

That Bill C–76 be amended by deleting Clause 18.

Motion No. 10

That Bill C–76 be amended by deleting Clause 19.

Motion No. 11

That Bill C–76, in Clause 20, be amended by replacing lines 1 to 7, on page 12, with the following:

"20. The portion of sub–section 178(1) of the Act after subparagraph (b)(iii) is repealed."

Hon. David Anderson (for the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved:

Motion No. 12

That Bill C–76, in Clause 21, be amended by replacing lines 4 and 5, on page 14, with the following:

"subsequent crop year shall be determined by".

Motion No. 14

That Bill C–76, in Clause 21, be amended:

(*a*) by replacing line 6, on page 16, with the following:

"181.18 (1) During 1999, the Minister shall, in"; and

(*b*) by replacing lines 13 to 15, on page 16, with the following:

"and on the sharing of efficiency gains as between shippers and railway companies.

(2) The Minister shall, as part of this review, determine (*a*) whether the repeal of this Division and Schedules I, II and III will have a significant adverse impact on shippers; and (*b*) whether this Division and Schedules I, II and III should be repealed.

181.19 If the Minister determines, pursuant to paragraph 181.18 (2) (*b*), that this Division and Schedules I, II and III should be repealed, then this Division and those Schedules shall be repealed on a day to be fixed by order of the Governor in Council."

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ) moved:

Motion No. 17

That Bill C–76 be amended by deleting Clause 21.

Motion No. 18

That Bill C–76 be amended by deleting Clause 22.

Motion No. 19

That Bill C–76 be amended by deleting Clause 23.

Motion No. 74

That Bill C–76 be amended by deleting Schedule I, on pages 39 to 45.

He said: Mr. Speaker, I am pleased to table this series of amendments to Bill C–76, more specifically to the part of the bill which repeals the Western Grain Transportation Act and which transfers, at least as regards that part of Bill C–76, the railway line regulations to the National Transportation Act, 1987.

These amendments are tabled for a simple reason. We feel it is unfair to apply a double standard when it comes to streamlining railway operations in western and in eastern Canada.

Indeed, several sections of Bill C–76 seek to maintain western lines used for grain transportation, for reasons of public interest. In other words, under Bill C–76, a western line will be maintained if it is deemed to be of public interest, even if it is not cost effective, as long as it is used to transport grain.

However, the rules are different in eastern Canada, and that is why we speak of a double standard. Indeed, at least until the Minister of Transport tables appropriate legislation, some branch lines and main lines are being closed in the east, particularly in Quebec, based only on cost effectiveness. This is why we say there is a double standard. In the west, railway lines are being protected.

• (1620)

But the east is passed over because it is not cost effective. Just look at the double standard regarding the west: a huge compensation package, literally huge, will be paid to western producers to offset the decision to abolish the Western Grain Transportation Act.

And when the federal government commits to paying $1.6 billion in tax–free compensation over the next three years to prairie farmers because it is going to phase out the Crow rate, a preferential rate, over a period of six years, that $1.6 billion tax–free is really worth $2.2 billion.

The federal government did not compensate Quebec industrial milk producers when it reduced dairy subsidies. Neither did it compensate them when it announced, after GATT negotiations, that it will be opening up our borders more and more to foreign competitors. Quebec farmers were not compensated when federal subsidies were cut here and there. They were told: "We are cutting, so deal with it".

The federal government is asking all Canadians, all Quebecers, to tighten their belts while it hacks away at the unemployment insurance fund, social assistance transfers to the provinces, post–secondary education and health, tax benefits for seniors. For example, when the Minister of Finance's first budget abolished the old age tax credit, it took $500 million out of seniors' pockets. There is also the threat of cuts to old age security. But, at the same time, the federal government' old double standard comes into play: it is greasing the palms of western producers, the "cattlemen", to the tune of a $2.2 billion package to compensate for the gradual phasing–out of the preferential rate for western grain transportation, which was already loathsome in itself. There was no uproar from Reform members regarding that move.

When subsidies are paid to their constituents, there are no shouts of protest. Not a peep from the hon. member for Capilano—Howe Sound, who merrily keeps hitting at the neediest in our society, day in, day out, and who even suggested abolishing all social programs in Canada. There were no protests from him when it was about subsidizing the people in western Canada, the people he represents. It is perfectly proper to pay billions of dollars to grain producers in the Prairies.

Yes, a double standard, because by getting rid of the Crow rate and paying a subsidy of $2.2 billion, the government is upsetting the balance achieved at the end of the last century, in 1897, when this rate structure was introduced. It upsets the competitive balance that developed over time between western grain producers and eastern producers who are mainly involved in meat and dairy production.

Although the gradual phasing out of the Crow rate destroys this balance, there is no mention of compensation for eastern producers. Not a word about compensation for farm producers in Quebec. However, destroying this competitive balance will

result in losses estimated at from 24 to 40 million dollars annually, losses that Quebec farm producers will have to absorb. The federal government, which has always applied a double standard in the case of eastern farm producers and farm producers in Quebec is not providing any compensation for Quebec producers.

Negotiations between the federal government and Quebec producers have just ended. Last week, I was told that what the federal government offered was peanuts, a small amount that might be paid at some time in the future, provided Quebec producers keep quiet and do not condemn the inequities of this system.

A double standard, because abolishing the Crow rate means that local grain prices in western Canada will go down—not the international price but the local price. This provides an incentive for animal production.

• (1625)

As the preferential rate is phased out and ultimately abolished in 2001, western beef and pork producers are being given a considerable competitive edge over Quebec producers. And on top of this, as I said before, they are getting $2.2 billion in federal funds, part of which, in fact 23.8 per cent, is paid for by Quebec taxpayers.

And so federal subsidies are being given to western farmers, subsidies paid for in part by Quebecers' taxes, enabling western pork and beef producers to come and compete with Quebec producers in their own market.

If this is fair federalism, what can unfair federalism be like? If flexible federalism means looking only at the collapse of a balance in the west and not looking at the other part of the country, which is affected by a decision such as the one to eliminate the WGTA and then compensate western farmers, there is a serious problem here.

We would have preferred, and this is the thrust of our amendments, first, that the Crow's Nest rate, the preferential Crow's Nest rate, be eliminated immediately and not over the next six years. The debate on this issue has been going on in Canada since 1978. I was present at the first, the second and the third debate, in different positions. Quebec's position has remained unchanged: if the preferential Crow's Nest rate, which has no equivalent in the east, is to be abolished, let us get on with it. As for the producers, and here I agree with the Reform Party on certain points, when they talk about areas other than those they serve, they should be made competitive right away.

Why gradually reduce the Crow's Nest subsidy and why gradually get around to increasing railway transport rates, when, according to the Reform Party, all of the west should operate as a free market system, efficiency driven and subsidy free?

They are engaging in double talk. When it suits them, they oppose subsidies. When it does not suit them, because the pressure in their ridings is too great, they say nothing. Look at them. They have no amendment to eliminate the $2.2 million in compensation to western grain farmers.

We in the official opposition would have preferred this rate structure and the compensation to be dropped immediately, because Quebecers and Canadians everywhere else are being asked to tighten their belts. They are not getting any compensation. There is no transition.

When the Minister of Finance decided to withdraw $2.5 billion from the unemployment insurance fund, he did so in one shot, all at once. He said nothing about transition. He said nothing about transition for the poorest families either, for those who are the most disadvantaged whom we have deprived of their only way out, through public housing, for example. He made no mention of transition, the Minister of Finance. There was no talk of spreading these decisions over five or six years.

It is outrageous that, for election purposes, the Liberals, who, as we know, are not strong in the west, are offering gifts to western voters and forgetting about voters in Quebec and the rest of Canada in general.

I find this double talk, this talk of the extreme right, from those beside us really distasteful in the context of subsidies to the most disadvantaged to ease their misery. The Reform Party's attitude toward our society's most disadvantaged is of the extreme right, but when it comes to paying out $2.2 billion to western producers, it becomes most conciliatory, nearly socialist.

The thrust of our amendments is: let us get rid of the Crow rate.

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, we are now looking at 12 motions in group 2. I will explain the government motions and the reasons for them and then return if time permits to some of the motions being presented by the other parties.

• (1630)

The two motions being presented by the government are Motions Nos. 12 and 14. In Motion No. 12 the Minister of Finance is proposing that subsection 181.12(2) of the National Transportation Act, as contained in clause 21, be amended so that the agency will establish maximum regulated rates from and after the 1996–97 crop year.

This motion, together with Motion No. 14, which I will explain in a minute, will amend the NTA so that the maximum regulated rate provisions will be retained beyond July 31, 2000

as currently provided in Bill C–76. The motion is a consequential amendment required as a result of the proposed amendments to sections 181.18 and 181.19 as set out in Motion No. 6.

The Canadian Federation of Agriculture and Prairie Pools Inc. both proposed to the Standing Committee on Finance that the review to be conducted by the Minister of Transport be expanded to include whether efficiency gains are shared between shippers and railroad companies.

In proposing this amendment and the amendment to section 181.18, the government is being responsive to the concerns of farmers, as expressed widely throughout western Canada and by many industry spokespeople. I compliment the minister for the number of hours he spent with groups across the country making sure that the bill is absolutely correct.

Many of these farmers ask that the Minister of Transport conduct a review of the grain handling and transportation system and whether efficiencies of the grain transportation system are being shared by shippers and railroad companies before moving to a deregulated system.

In Motion No. 14, the Minister of Finance is proposing that the review conducted by the Minister of Transport pursuant to subsection 181.18(1) be broadened to include whether efficiency gains are being shared between shippers and railroad companies.

Under subsection 181.18(2), the Minister of Transport will also consider whether the repeal of the maximum regulated rate provisions will have a significant impact on shippers and if those provisions should be repealed.

Section 181.19 will be amended so that if the Minister of Transport in conducting his review determines that the maximum regulated rate provisions should be repealed, those provisions will be repealed as of a date fixed by order of the governor in council.

The Canadian Federation of Agriculture and Prairie Pools Inc. both proposed to the Standing Committee on Finance that the review to be conducted by the Minister of Transport be expanded to include whether efficiency gains are shared between shippers and railroad companies.

In proposing this amendment to section 181.18 the government is being responsive to the concerns of farmers who asked that this review be done. In addition, the Minister of Transport in conducting his review in 1999 will take into account the interests of both the railroad companies and the shippers in determining whether the maximum regulated rate provisions should remain in place. Both the shippers and railroad companies will have ample opportunity to make their views known to the minister before he completes his review.

The motions being presented, first by the official opposition, will completely undermine the efforts being made to modernize the western Canadian grain transportation system. I do not have to tell members that there is a lot of history in the legislation we are presenting. It is one in which the farming community has been back and forth on for one generation after the other.

This is that rare time when the major actors in the industry have come together to support legislation that will be a giant step forward in the reorganization of the grain industry. Like others, there is lots of speculation on what these changes are going to mean. Nevertheless people see many positive benefits coming out for western Canadian agricultural producers.

Considering how much wealth they contribute to this whole country, anything that benefits the farmers of western Canada can very quickly benefit the rest of the country.

Motions Nos. 5 to 11, because of the nature of the official opposition amendments, would result in the deletion of the provisions that identify grain dependent branch lines and exempt designated grain dependent branch lines from certain provisions of the NTA, such as the notice of intention and conveyance provisions with respect to abandonment of branch lines. These motions would make it more difficult for rail companies to improve the efficiency and reduce the cost to ship grain from the prairies.

• (1635)

In Motion No. 5, the financial critic for the opposition party is proposing that clause 11, which amends section 4 of the National Transportation Act, 1987 to add a definition of grain dependent branch lines, be deleted.

The definition of grain dependent branch lines is necessary as this and other provisions in Bill C–76, identify grain dependent branch lines and exempts designated grain dependent branch lines from certain provisions of the NTA, such as the notice of intention and conveyance provisions with respect to abandonment of branch lines.

This provision and other provisions in Bill C–76 will make it easier for railway companies to abandon inefficient and costly grain dependent branch lines.

The motion proposed by the official opposition would make it much more difficult for railway companies to improve the efficiency of the grain transportation system and to reduce the cost to ship grain from the prairies.

Motion No. 6 proposes that the heading of clause 12 be amended by replacing the words "the act" with the National Transportation Act, 1987. This is a proposal which follows from the changes and the refusal of the opposition to deal with the changes we are proposing.

The official opposition is proposing in Motion No. 7 that clause 16, which exempts grain dependent branch lines from the notice of intention provision under the NTA be deleted. As I stated, this proposal would make it more difficult and cumbersome for railroad companies to abandon inefficient and costly grain dependent branch lines.

I will not take the time of the House to go through some of the other motions. In these I have reviewed the major differences we have with the official opposition. As I stated before, the changes being proposed in Bill C–76 will be of great benefit to the western Canadian agricultural community and that spills over to the rest of the country. People in every province will see a much stronger Canada as the western grain farmers and other agriculture producers gain maximum advantage from changes in our regulations and laws.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it is a pleasure to speak to this group of proposed amendments. We have some difficulties with some of the clauses of the budget implementation act. Some of the clauses give arbitrary powers to cabinet to make decisions.

I reminds me a little of earlier in the bill of some of the powers given to the Public Service Commission, for example, where it is allowed to appoint people without competition. Arbitrary powers are never a good thing to give out.

Under the powers of the Public Service Commission, members will know that over the next three years the government will be spending some $41 million to, among other things, recruit new public servants from designated groups under the special measures initiatives run by the Public Service Commission. At a time of substantial layoffs it is a huge amount of power given to a commission to recruit people at the cost of tens of millions of dollars, when we are laying off 45,000 others. It seems a little ridiculous to me. It is obviously unfair to be hiring new workers at a time when thousands of surplus ones are eager and willing to work at any of the jobs.

It is particularly an insult to hard working civil servants who have spent many years working in a position only to come to work one day to find that their desk has been cleaned out and a fresh new face is in the office doing their work and the job they are fully qualified for, but they lost it because another person was hired under the special measures initiative or the employment equity program.

That is the kind of arbitrary power we do not think the Public Service Commission should have. We believe that arbitrary powers giving cabinet or in the case I am talking about, the Public Service Commission, the ability to bypass merit or the regular way of doing business, to hiring, promoting, firing and so on, is not a good thing.

• (1640)

We need checks and balances on government. The bill gives too much power to a select few people. The power I mentioned the Public Service Commission has under the bill is typical of that. Other clauses in this transportation area give the cabinet in our opinion too much power but I will leave it at that.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, Bill C–76, which is the continuation of the budget and deals with the Work Force Adjustment Directive, is a rather important one. It drew many comments, especially from the Reform Party and the Bloc. I believe there are some fundamental elements we should take into account in Parliament. For all intents and purposes, we are the voice of our fellow citizens, and it is important that they know exactly what is at stake here.

I listened to the Reform members talk about the deficit, government spending, and the debt which is growing at the rate of $100 million a day, and also to all their arguments to the effect that the government must cut expenditures. As we know, it has been proven, on many occasions, that at the present time, except for the debt service, the regular operating expenditures of the government do not exceed its revenue. The debt service is very high in Canada because we have an accumulated debt of close to $500 billion.

Members opposite keep on talking about government spending. But we must not forget that expenditures are only one of the elements of the deficit we are facing in this country. One must not single out the expenditures of the Canadian government as the only reason for our deficit.

In the past, deficits were very high, as compared to total expenditures. Expenditures were high in the past, as we saw under the previous government. I am not trying to say that we were blameless in the past; in some instances, expenditures went well beyond what should have been tolerable. In any case, what is important now is to correct the situation. One must not lose track of the fact that expenditures are but one element.

Second, we must recognize that our tax system being slightly obsolete, the in–depth reform of our tax system is one of the elements which is going to put our economy back on a level that is acceptable to all Canadians, especially the middle class.

Third, and this is important, it is the monetary system of this country which causes our interest rates to be too high. We must recognize that the Bank of Canada has a role to play. In the past, the Bank of Canada played a very important role in controlling interests rates nationally. But, because of our deficit, we lost this power. However, with good management, it should be possible to get it back. We are trying. It will take several years, but let us hope we will succeed within one mandate or one and a half at the most. We want the Bank of Canada to really play an

active role, we want complete fiscal reform, and we hope that our monetary system, which is not working to our advantage, will be modified.

So three different elements come into play.

Furthermore, the Minister of Finance proposed some workforce adjustments. Since we are being told to reduce spending, we tried to achieve this by streamlining of the public service.

• (1645)

When I hear that 45,000 employees will lose their jobs, I think this is a bit of an exaggeration, because this will happen over a three–year period, and most of these 45,000 people will either take normal retirement or early retirement, or accept what we call a buy–out.

In conclusion, therefore, I would like this House to understand that our problems cannot be ascribed to one thing only, that is spending alone. High interest rates, largely the result of our monetary system of the last 15 to 20 years, made it difficult for us to carry out reforms, especially the reform of the tax system which is sorely needed because of the very heavy tax burden on the middle class.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I am pleased to take the floor to talk about the amendments to Bill C–76. When I heard the hon. member for Gatineau—La Lièvre talk about the monetary system and cuts in the public service, when the subject is really amendments to the Crow's Nest Pass policy and to the subsidy to Western grain farmers, I thought I had got my day wrong.

Well, we cannot very well prevent him from talking about the subjects dear to his heart, but I am happy to hear that he does not share the views of his Minister of Finance, and I urge him to point that out to the minister, who is following a monetary policy basically similar, if not identical, to that of his Conservative predecessors. I also urge him to mention it to his constituents.

This is a good illustration of a policy which makes it difficult to deal equitably with an issue. It happened in the past, and it continues in the budget, which treats dairy producers from Quebec and grain producers from the West differently. This is the continuation of a long series of historical decisions regarding agriculture and rail transport which, in both cases, worked to the advantage of Western Canada.

I am quite pleased to point this out, because we still hear Liberal and Reform members criticize the fact that Quebec receives, in some areas, transfer payments or equalization payments. They called them gifts to Quebec, but they do not criticize this policy which, for a long time, has allowed the West to develop. The development of the railway system cost billions of dollars, and allowed a lot of farmers to grow and prosper in Western Canada. However, we seem to forget all the money that was poured into this because it is less visible nowadays, since it was done over a period of time.

But now, with all the financial choices and spending cuts we face, this resurfaces. A moment ago, my colleague from Saint–Hyacinthe—Bagot talked about that. When the unemployed are victims of cuts, we do not say to them that we are going to allow them transition, adjustment periods. Soon, we will be making changes to the Canada pension plan or looking at the income security program, and throughout this debate that will be held in the fall, I am sure that these changes will not provide for long transition periods for the persons affected.

But when we speak about capital gains, family trusts, and other matters, then we have to have long transition periods to give people a chance to adapt. However, when the ordinary people, who are the most affected, are concerned, we forget about that.

I talked briefly about the impact of this policy on the development of the railway system. This has also encouraged farmers. For years now, in Quebec, we have been told that every rail section must be viable. When they are not, the tendency is to privatise them, to get rid of them, to give them to anybody, and not to keep them. Under the same policy out west, we have always supported the maintenance of this system, because they were very clearly linked to the development of the farming industry.

Earlier, I tried to describe the situation in this way: if you are a grain producer, it is not the dairy truck which goes by your house, but the rail system, to help you, support you or allow you to send your crop to the export points. Over the years, things have evolved. At the beginning, almost 90 per cent of the financial support came from the government.

• (1650)

And now, financial choices have to be made. In its budget, the federal government says that it must cut in that area, but it is planning a $1.6 billion compensation package. An important factor to consider is the fiscal side of the equation. When we talk about non–taxable money, the amount is higher than that, perhaps more than $2 billion.

In the same budget, we are told that tens of millions of dollars will be cut for milk producers in Quebec, but no mention is made of any compensation. So, we have the unfair treatment given by the federal government which has supported the railway system and supported Western Canada to the tune of hundreds of millions of dollars, on the one hand, and has funded development differently in Quebec, by giving it less support, on the

other hand. And now, this historical imbalance is being perpetuated, under the pretext that market forces must now be left to come into play.

In Quebec, there is no compensation package, no transition measure. The federal government is saying to milk producers that they can raise their prices, and that they have the flexibility to do that. In other words, it is saying to Quebec consumers that they will pay for that. We account for some 23.8 per cent of total tax revenues, so we will also pay 23.8 per cent of the compensation package given to Western producers.

In this bill, there are many examples of the federal government's approach toward development in the different regions, particularly those in Quebec. This is the same bill sets up transfer payment negotiations which, for Quecbec, can only lead to reduced transfer payments, and a smaller percentage than what it is getting now. No matter what solution is found, I am convinced that Quebec will not receive more than before.

The Ontario government will come to the negotiating table with many huge claims. This has been going on for several years, and just because Ontario changes government does not mean that these claims will also change. Quebec is facing cuts that will affect it more than the other provinces. It is said that more than 40 per cent of the cuts will be made in Quebec. In the same bill, dairy producers are also being hit harder, because they will not get any compensation package.

There are many reasons why, once this bill is passed, the federal government will be even less committed than before to supporting Quebec's development. These people are the same ones telling us that this system is cost effective, that it is good for Quebecers.

I want to raise a point in response to what the hon. member for Gatineau—La Lièvre said about federal public servants. Whenever the issue of sovereignty comes up, the people across the way are eager to tell us that it would spell disaster for the Outaouais, although they are saying very little about the roughly 15,000 jobs they are cutting in the region. The hon. member was very subdued in the House, probably because he has a carefully crafted quote for his next householder. He does not criticize his government's decisions in the newspapers or anywhere else. He did not defend them in committee. Where was he? Where are these great champions of the Outaouais who enjoy telling us that we are very well served by the current system? This bill also contains provisions affecting federal public servants.

The government whip did not rise either. Government members make timid speeches to keep their constituents happy; their remarks are never very searing. There are fiscal choices to be made. If the Western Grain Transportation Act must indeed be repealed, they should stop trying to provide indirect financial support and incentives, and stop attempting to raise the Liberal Party's profile in the West, as was recently done in Manitoba. Although we understand why they want to improve Liberal prospects in that region, $2.2 billion is a lot to pay just to buy votes. We have serious reservations here. If this policy must be scrapped, they should have the courage to do so now and to respect the commitments made by the Bloc Quebecois.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The vote is on Motion No. 5. All those in favour will please say yea.

Some hon. members: Yea.

• (1655)

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

[*English*]

The Deputy Speaker: Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred. Accordingly the recorded division will also apply to Motions Nos. 6, 7, 8, 9, 10, 11, 18, 19 and 74.

The next question is on Motion No. 17. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

Mr. Nelson Riis (Kamloops, NDP) moved:

Motion No. 20

That Bill C–76 be amended by deleting Clause 26.

Motion No. 21

That Bill C–76 be amended by deleting Clause 28.

Motion No. 22

That Bill C–76 be amended by deleting Clause 29.

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 75

That Bill C–76, in Schedule II, be amended by replacing line 10, on page 47, with following:

"criteria".

Motion No. 76

That Bill C–76, in Schedule II, be amended: (*a*) by replacing line 26, on page 47, with the following: "applicant after the payment is received;"; and (*b*) by replacing lines 33 to 44, on page 46, and lines 1 to 4, on page 48, with the following: "respect of an outlay or an expense."

Motion No. 77

That Bill C–76, in Schedule II, be amended by replacing lines 27 to 35, on page 48, with the following: "transition payments; and (*c*) how interim and final transition pay–".

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ) moved:

Motion No. 78

That Bill C–76, be amended by deleting Schedule II, on pages 46 to 48.

Mr. Riis: Mr. Speaker, I am pleased to have an opportunity to speak to this part of Bill C–76, an act to implement certain provisions of the budget that was tabled on February 27, 1995.

At the outset I want to say that while we are speaking on a number of sections of the bill we find that this is one of the more regressive pieces of budgetary legislation that this country has ever seen in terms of moving Canada backward into a bygone era. I had hoped that a budget would be brought in to advance the economic, social and cultural agenda of the country. I do not think anyone can say anything other than this will set us back. It is like looking only in the rear view mirror while driving.

The provisions we are looking at under group 3 by and large eliminate the Crow rate benefit from the legislation. It takes the whole matter of the demise of the Crow outside of this piece of legislation. Farmers in western Canada developed their grain industry on the basis of three fundamental pillars and in close partnership with the federal government.

One pillar was a grain transportation system built around the Crow subsidy. I recognize that to compete particularly with the United States which has a whole set of subsidy programs for its western grain producers and the fact that our grain producers were some distance from the coast where the grain would be exported, having some kind of a grain subsidy built into the transportation system made a lot of sense. It enabled us to become a global bread basket as a result.

The second pillar was the orderly marketing system through the Canadian Wheat Board on the basis of equal delivery opportunity and a price pooling system. We could say if people were to evaluate this objectively that over the years this has served this country well.

The third pillar was a grain handling system owned by the farmers through a western Canadian co–operative system.

When I look at this particular initiative of the government, which in a sense is abandoning the Crow rate, it reminds me of a previous Prime Minister who spoke of certain sacred trusts. He said that as a result of these trade deals we would not see any diminution in the quality of our social programs. We know that did not take place. We have seen the erosion of virtually every social program. We have seen the disappearance of social programs as we have moved our social programs to harmonize more closely with those in Mississippi, Louisiana, Tennessee and east Texas. That is not the kind of Canada we expected.

• (1700)

Prior to the government's taking office it said it did not agree with the provisions of NAFTA either; that unless the provisions of NAFTA were dramatically shifted, altered and amended it would abrogate the deal. That did not take place at all. As soon as it took office there were a couple of little tinkers; it has now become a NAFTA cheerleader like we have never seen before.

I do not think the government has a mandate to proceed with this section of the bill. On May 10, 1993 the present Prime Minister said the following at a press conference he called to unveil the party's election campaign farm policy platform: "As federal Liberal leader, our government would prefer to retain the existing Crow rate benefit method of payment rather than change it as the Conservative government is proposing". That was on May 13, 1993 from page 17 of the *Western Producer.*

In other words, heading into the election campaign the Prime Minister, articulating the Liberal Party's agricultural policy, in a sense said they want to retain the Crow rate; the Conservatives do not, but they do as a political party. On that basis people, particularly from the Canadian plains, voted Liberal in such sufficient numbers that they were able to form the government. Now they are doing exactly the opposite. They are abandoning the Crow rate provision.

I do not think it take a rocket scientist to figure out if they say their party policy is to maintain the Crow rate and as soon as they become a government they decide to abandon the Crow rate, they seem to be pulling a fast one on the electorate. They seem to be saying one thing and doing another. I do not think it is unreasonable for us to question whether the government actually has a mandate to proceed with this. Strictly on the basis of principle we are suggesting this section be abandoned.

There is another reason we are suggesting this section of the bill should be abandoned. What are the implications of abandoning the Crow system? I know we have differences of views in the House of Commons. Some people feel this is a good idea for all sorts of reasons; others feel this is a bad initiative. Most people

probably wonder about the implications of making this major change to the way the western grain sector is supported.

To my friends on the government side and to my good friends in the Reform Party and in the Bloc, I encourage those endorsing this initiative to articulate what the implications would be of this major change. How will this affect the future of western grain farming?

Before we proceed as Parliament with agreement on this provision we should have a clear understanding of whether this will or will not cause difficulties. My colleagues and I believe very strongly this will not be in the best interest of western grain producers. We will be hearing some of the reasons in detail, particularly from those who represent prairie constituencies.

I appreciate the opportunity to bring forward these amendments in hopes of retaining what I think every grain farmer felt was a sacred trust.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, once again, I am pleased to participate in the debate on the transportation of western grain.

Most of the amendments now being discussed concern the compensation to be paid to western producers since, by the year 2001, the preferential Crow rate applied to the transportation of western grain to the main points of export will be abolished, as will the Crow rate itself.

• (1705)

The government is trying to transform a grain transportation policy which has been in effect since the end of the last century into a western agriculture development and diversification policy. The Crow rate has been an issue for many years. Many attempts were made to abolish that tariff system dating back to the 19th century, but no consensus was ever reached on how to do it.

Eliminating the preferential rate has the effect of triggering a decrease in the price of western grain. Consequently, abolishing the preferential Crow rate on grain exports provides a competitive advantage to western beef and pork producers. According to various studies, that advantage is estimated at somewhere between $8 and $15 per metric tonne of western grain. So, by triggering this $8 to $15 decrease in the price of a metric tonne of grain, the elimination of the Crow rate destroys the competitive balance between the western and eastern economies, which are respectively based on grain and livestock production.

The abolition of this transportation tariff provides a competitive advantage for western pork and beef producers, who will be in a better position to compete with their Quebec, Ontario and even international counterparts.

During the numerous debates that we have had in recent years concerning the Crow rate farmers in Quebec, Ontario, the maritimes and some in the prairies and British Columbia said that they accepted this fact. The accepted the fact that abolishing the preferential rate would have an impact on the local price of grain in western Canada and that it would change the balance.

If my memory serves me well, even in Quebec, the Union des producteurs agricoles was saying in 1982: "Abolish the preferential rate, stop paying hundreds of millions of dollars a year to maintain this rate structure and we are prepared to accept the fact that such a measure will lower the local price of grain and will thereby help increase livestock production in Western Canada". And now, not only will the reduction in the local price of grain help increase livestock production in the west to the detriment of eastern producers, but the government is telling western producers that it will compensate them for the elimination of the Crow benefit, that it will give them $1.6 billion tax free in transition payments, which is more like $2.2 billion.

Not only has the government reduced local grain prices thereby encouraging livestock production in the west, but it is giving western producers $2.2 billion based on the farmland they own, and that goes for grain producers as well as for beef and pork producers. It is ridiculous to abolish a transportation rate structure and, at the same time, to give compensation payments that will serve to subsidize western economic diversification and the development of livestock production.

It makes no sense that this part of the bill provides for the payment to western producers of $2.2 billion, when 24 per cent of this money, which is federal, comes from producers in Quebec. It makes no sense that these subsidies are being handed out so that western pork and beef producers can compete with our producers in Quebec. In any event, there are many who say that that is not how they see the federal regime. It makes no sense at all.

Those who are sceptical about the effect of this approach on the production of pork and beef in Quebec need only look at what happened in Alberta in recent years with the Crow offset, a policy that my Reform colleagues probably know all about. The result was a 10 per cent annual increase in Alberta's pork production with a policy that was almost identical, but that was provincial in scope.

• (1710)

So that is clear. We are saying that this policy is inequitable. It is inequitable because it disrupts the balance between the east and the west and, in addition, gives western businesses a competitive edge over their eastern colleagues, particularly those in Quebec.

If at least some thought had been given to the effects of this subsidy on eastern producers and some sort of compensation considered for eastern producers, had the funds been available, that would already have been a slight improvement. Furthermore, it has been estimated that just abolishing the Crow rate

would have an effect on Quebec's agricultural economy of between $24 million and $46 million. So we were told by the UPA president himself, Laurent Pellerin, when he appeared before the finance committee two weeks ago.

Quebec is offered nothing, even though it is recognized that there is an imbalance that goes back to the end of the last century.

We find it deplorable that this second crop of Liberals are doing exactly the same as the first crop. In 1982 a similar bill was tabled, a bill that provided for compensation to the west. The federal government was not in the financial situation that it finds itself in today, compensation could perhaps have been considered, but no thought was ever given to the negative effect on Quebec producers.

Now, they come back, because that bill was put aside, when Mr. Eugene Whelan was the Minister of Agriculture. At the time, they said: "Since we cannot come to an agreement, we will put it aside".

Today, they come back with this bill, at a time, moreover, when the financial situation is far from rosy, and they want to pay western producers $2.2 billion as compensation for the elimination of the Crow rate, just like that.

The official opposition is strongly opposed to such a decision, because at a time when the UI funds, the transfers for the underprivileged and the transfers to the provinces are being slashed, the government is able to come up with $2.2 billion to meet the electoral needs of the few Liberals out west and to try and win over the Reformers' supporters.

We support the elimination of the Crow rate, but it should be eliminated immediately, without any compensation. We also deplore the fact that the Reform members, who are usually so eager to protest when the underprivileged are subsidized, are keeping quiet, because this compensation is being granted to their own constituents. I find that most deplorable.

What I also find deplorable is not only what the Liberals did, but also what the Reformers did. They did not attend the sittings of the finance committee when we talked about ways to improve or to repeal some of the provisions found in Bill C–76. If I were in their shoes today, I would be ashamed to put forward amendments, since they refused to hear anyone, except for a few witnesses from western Canada who are as far to the right as the Reformers have been since the election.

This is totally unacceptable. The decisions of the government concerning the western grain transportation sector are unacceptable, and the attitude of the Reform members in this House is unacceptable.

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Burnaby—Kingsway, health; the hon. member for Québec–Est, Agusta.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I want to speak to the group 3 amendments before us which affect the Western Grain Transportation Act, the National Transportation Act and the Crow rate for the future of western farmers.

• (1715)

Reformers said it very clearly during the election campaign. We were not like the Bloc Quebecois or the Bloc finance critic who stands up and says that they are going to cut certain things in the House of Commons while back in Quebec they talk about greater and more handouts for the people of Quebec.

There is a continual inconsistency. The hon. member has just spoken as the finance critic for the Bloc Quebecois. He talked about not giving the western farmers anything, that the Crow benefit and the Western Grain Transportation Act benefits should be cut off as such. The Bloc wants to cut it off but not give the western farmers any kind of transitional payment whereby they will then take the responsibility of paying the full amount for the freight rate.

Let us look at Quebec. Let us look at some of the tax expenditures that never get raised in the general public. In committee I raised the tax expenditures for the labour venture capital fund, $360 million in terms of tax expenditures. Three hundred million of that is to the people of Quebec. Other Canadians do not benefit from that tax expenditure. In raising the matter in the finance committee I asked the hon. member what he had to say about that because other Canadians are not getting a fair deal. There is a broad base of Quebecers benefiting from this tax expenditure.

One day the hon. member is against tax expenditure when it supposedly relates to the rich or those who are planning for their estates; the next day when it is in their home political ground, it is a great thing to do. The hon. member should think about that when he talks about the benefits the western farmers are going to get with regard to a payout on the Crow rate.

Let us look at that payout. Most likely, some $2.2 billion will be paid out over a two year period. What does it amount to in terms of the farmers of western Canada? It is not a major amount of money. It will be a one time payout, most likely of $16 to $18 per acre. How much money does that really amount to? What will that do for a farm operation? Not very much when putting fertilizer on irrigated land costs $40 to $60 an acre.

What is $18 an acre? The spray for crops costs $5 to $10 an acre. What does that $18 really mean? In that portfolio farmers will have to pick up the major cost of shipping their produce to the coast by rail. They will pay 100 per cent of that in the future.

Within a year the farmers will not be dependent on the federal government for the transportation allowance. Farmers are willing to buy that and accept that responsibility but it does not hurt government when phasing out a program like that to have some type of transitional support system. It has done that and I commend the Liberal government for taking that specific position on this matter.

Although the Crow benefit, the Western Grain Transportation Act, will have an effect on western Canada, we have to look at transportation on a broader base. The government must give some leadership there as well.

When the free market system goes into transportation, the government will have to assure Canadians and assure the western farmers that they have access to alternate routes by which products can be shipped into a variety of markets in the world. That must be looked at.

I raised the question with the minister of agriculture as to whether there were any impediments that would prevent western Canadian farmers from shipping their grain through the railway system or the port system of the United States. I asked whether we could use the Mississippi River to ship our grain if that were a more expedient, more efficient and less costly way of doing it.

• (1720)

The minister has assured me there are no impediments and that we will be able to do that kind of thing. I ask that the government ensure that will happen because we farmers in western Canada will look at innovative ways by which we can market our produce. We will look at the means by which we can come up with different crops. We will diversify our agriculture. That is a spinoff benefit of terminating the western grain transportation allowance and also the Crow benefit. That is a spinoff benefit which will be there. It will restructure agriculture.

It is unfair for a member of the House to say that western farmers should not have any type of transitional compensation to make the adjustment over the next year or two. It is certainly unfair when that member sits in committee and talks about tax expenditures of over $300 million which are specifically targeted at a group within his province, when other Canadians do not have access to those kinds of tax expenditures. It seems to be an attempt to speak in two different arenas. There is one arena here but there is another arena back home that wants to hear those kinds of political words.

We cannot support the amendment of the hon. member for Kamloops. It is a rather traditional approach to what has happened in Canada with respect to transportation. We think changes are needed and we are prepared to support them.

We also oppose vehemently the comments and the amendment put forward by the hon. member for Saint–Hyacinthe—Bagot which ask the government to terminate the benefits to western farmers.

That is where we stand. We believe that under those circumstances we can clearly and with good conscience vote as we feel is right.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I am pleased to put in my two cents worth on the report stage motions. It is not a loonie, it is two cents worth today.

An hon. member: A double loonie.

Mr. Taylor: The member wants to hear about the double loonie. I am very pleased to have aroused some interest from members opposite. It is a pleasure to know they are listening at such an important time.

The report stage motions before us relate to Bill C–76, the budget implementation bill. The amendment put forward by my colleague from Kamloops, which was seconded by me, proposes to eliminate those sections of Bill C–76 which deal with the government's proposal to remove the Crow benefit. That is the benefit that applies to western Canadian farmers for the movement of their grain from farm gate to port.

I have been engaged in this debate for quite some time. The constituency I represent is rural and relies heavily on agricultural income to survive. The constituency which I have represented for six years has been engaged in the debate over the future of the Crow benefit for quite some time. My constituents have advised me frequently and constantly of the need to retain the Crow benefit.

Through the motion which is before the House today, I ask members to consider eliminating these sections from the bill in order that we can study in greater detail the future implications of this very rash move which the government has undertaken.

• (1725)

The minister of agriculture will recall that at the beginning of this debate I asked the minister to withhold the sections of the bill, the intention to eliminate the Crow benefit, until such time as we did investigate the full implications of this move on the prairies.

I put forward that proposal before this debate began and here we are at report stage, prior to third reading, and the government has not indicated any understanding of the implications of what the elimination of the Crow benefit will mean to the prairie economy.

The argument comes down to the fact that for each elevator point on the prairies those communities will lose $1 million in income currently in those communities. I have previously used Glaslyn, Saskatchewan, a community of about 350 people, a

fairly large elevator market area with a very good, strong delivery point.

Currently $1 million in that community will not be there after August 1 when this bill comes into effect; $1 million from that community, $4 million from the city of North Battleford and millions more taken from rural Saskatchewan as a result of the implications of this bill.

What does that mean in terms of the future of those communities simply because they are growing wheat which is demanded by countries all over the world, countries not paying the freight on that product but expecting our farmers to pay the freight to get it to port position so that it is competitive?

A presentation by the prairie pools to a committee in Ottawa on April 27, 1995 concluded: "The termination of government transportation assistance and the resulting decrease in farm incomes not only threaten the vision but the ability of the Canadian industry to even maintain its current competitive position in the world markets".

These are people who deliver a product to that competitive marketplace telling us very clearly in response to this move on this bill the vision of agriculture as presented by the government enhancing our competitive position is threatened and that our ability to compete is threatened. We should pay heed to some of these experts who have been commenting on this over the years.

I also quote from another presentation made before the finance committee studying Bill C–76. The national farmers union's report concluded that the cuts in the federal budget, which are in addition to the elimination of the Crow benefit and including it, will have an unprecedented impact—

The Deputy Speaker: I am very sorry to interrupt the hon. member but the time has expired for this debate. Unless there is unanimous consent, we will be into Private Members' Business.

Mr. Boudria: Perhaps, Mr. Speaker, the House would agree to allowing the member to conclude his comments. I also think a member of the Reform Party attempted to rise. If the House would consent to adding 10 minutes or so to do that I would have no objection. This would then enable us to finish that clause.

The Deputy Speaker: If members wish to do anything by unanimous consent they can do exactly what they want. Is there unanimous consent to extend the time?

Mr. Hermanson: Mr. Speaker, the Reform Party would be happy for the hon. member for the Battlefords—Meadow Lake to complete his speech and then we should move on to private members' business.

[*Translation*]

The Deputy Speaker: I did not hear the official opposition's opinion on this point. Do you agree?

Some hon. members: Agreed.

[*English*]

Members are giving the hon. member two or three minutes to finish his speech.

Some hon. members: Agreed.

Mr. Taylor: Mr. Speaker, I appreciate the largesse of the government and opposition members on this matter. I did not request the opportunity to finish my remarks, but I am very happy to do so. I regret cutting into the time provided for private members' business, because to me it is a very important time in Parliament. I will wrap up my remarks very quickly.

When private members' time arrived I was quoting from the conclusion of the presentation made by the National Farmers' Union to the committee. I will start the quote again: "The cuts announced in the federal budget will have an unprecedented impact upon Canada's agriculture sector. These cuts, from the loss in transportation subsidies to the cuts to food inspection, increase producers' costs of production, making us less competitive".

Members will recall that one of the red book promises of the government was to reduce the input costs of farming. These matters have increased the costs of farming. Therefore, the red book promise on agriculture has certainly been broken.

I will finish the quote from the National Farmers' Union: "The Canadian government has cut far beyond the requirements of the GATT agreement, leaving farmers alone to fight the European Union and the United States treasuries. The government should reassess its policy of unilateral disarmament, which leaves Canadians vulnerable in the international marketplace".

This is a very serious matter. We have long term implications to communities on the prairies and to the future of Canadian agriculture in the international marketplace. We should be setting these provisions aside until we have had a full study of everything that has been done. We should not be dealing with it in terms of just balancing this year's budget.

[*Translation*]

The Deputy Speaker: It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

GRAND PARENTS' DAY ACT

Mr. Sarkis Assadourian (Don Valley North, Lib.) moved that Bill C–274, an act respecting a national grandparents day, be now read the second time and referred to committee.

He said: Mr. Speaker, I recognize there are many grandparents in the gallery. I appreciate their presence and I thank them for taking the time to join us in the debate.

It is an honour for me to stand today in the House to speak on Bill C–274, a private member's bill that I introduced on September 27, 1994. Bill C–274 is an act respecting a national grandparents day in Canada. It would set aside the second Sunday in September every year as a national day to honour grandparents in Canada from coast to coast.

It is a pleasure for me to address a generation of individuals who may be older but surely are wiser. They should not be forgotten or left behind.

As I said earlier in the House, we have the honour of having 20 grandparents and members of the growth society, an organization whose purpose is to safeguard the vital grandchildren and grandparents relationship.

I have received numerous letters in support of Bill C–274. I will read part of one letter I received: "On behalf of our grandparents group and all other grandparent groups in Canada, I commend you for introducing Bill C–274, an act respecting a national grandparents day. Many of us will be here in the members' gallery for a debate on your bill. We sincerely hope that you will have the full support of the House and that it will be voted on favourably".

• (1735)

Another letter, sent by the vice–president of focus on the family association of Canada, states: "Thank you for your request for the designation of grandparents day. Our calendar printed by focus on the family U.S. has the second Sunday in September marked as grandparents day. We applaud the effort you have put in to recognize this day in Canada".

I have received numerous letters of support from my riding from seniors groups and organizations in favour of this day to be celebrated in Canada. Ironically tomorrow, June 1, 1995, will also mark the beginning of senior citizens month in Canada.

At this time Bill–C–274, has been deemed not votable by the subcommittee on private members' business. I ask for unanimous consent so that the order be discharged and the subject matter of the bill be referred to the health committee for further consideration.

I did not have the pleasure or the honour of having grandparents. My grandmother passed away when I was very young. I missed that link between a grandson and grandmother or grandfather. I hope that no one will have to miss that link between grandparents and grandchildren anywhere in the country.

Grandparents day would give national recognition to the growing number of grandparents in Canada. I will attempt to raise the emotional conflict of interest drama that grandchildren face when one parent assumes custody and they no longer have the opportunity to see their grandparents. Many provinces and municipalities have already recognized that grandparents do contribute greatly to the family and they are a basic and fundamental element of our society. It is time the federal government recognized this fact as well.

The focus of Bill C–274 on grandparents day will serve a child's best interest and show Canadians that grandparents are a significant part of our family structure. Most important, without grandparents a child will lose a valuable role model and nurturing.

In the United States in many homes of the aged grandparents day was celebrated as a national holiday as far back as 1961 and was officially declared as grandparents day in the U.S. in 1977 by President Jimmy Carter. It is the second Sunday in September every year.

Last year in the province of Quebec the Quebec senior citizens federation urged Quebec families to mark the occasion of grandparents day by getting the different generations together. Obviously this is not possible in all cases, especially for those grandchildren who do not live nearby. I am sure they could get the long distance feeling by calling them on grandparents day.

The relationship between grandparents and grandchildren has taken on even greater importance as the result of the number of broken marriages. As we approach the 21st century we see more and more single parent families. Single parent families would be helped a great deal if we have grandparents' recognition and grandparents' connection tied to the younger generations so we can build for a stronger future and face it with more confidence.

Grandparents day was officially proclaimed in 1978. Since then every year the United States observes the second Sunday in September as grandparents day.

I call on my colleagues to accept the bill and refer it to the House committee on health in order to adopt it as soon as we can for the coming September. We have tremendous support. There is no harm in doing it. There is no one who opposes it as far as I

know. Let us go forward and have grandparents day, which will give the proper recognition they deserve.

• (1740)

The Deputy Speaker: If I understood the hon. member correctly, he has asked for unanimous consent that the order be discharged and that the subject matter be referred to the Standing Committee on Health. Is there unanimous consent among the members present for this to happen?

Some hon. members: Agreed.

An hon. member: No.

The Deputy Speaker: There was an indication that one of the members does not give unanimous consent to that happening.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I wish to commend the hon. member for Don Valley North for his bill. Indeed, who could be against a bill aimed at honouring the contribution grandparents make to society by designating the second Sunday in September of each year as "National Grandparent's Day"?

Such bills always put us in the same dilemma. On the one hand, there is the honourable intention of designating a grandparent's day but, on the other hand, we wonder if the government will go beyound good intentions and pay close attention on a daily basis to these seniors who helped build our society.

The old age pension plan is a case in point. As you may recall, there have been previous government attempts to reduce seniors' benefits, and a reform of old age pensions is planned for this fall. In every golden age club, people like the directors in my riding who have already retired or will do so in a few years have a lot of questions about their future financial security.

While it is nice of the hon. member to ask that the second Sunday in September be designated "Grandparents' Day", we should be checking with his government to see if the member's wishes will be acted on and whether these seniors will be guaranteed fair and equitable treatment.

This bill also gives us an opportunity to look at the way seniors are treated sometimes. Take for example the voice box issue. Do we really show seniors respect when they need information about a pension cheque that is late in coming or a in different amount than usual, or any other matter, and we cannot provide it to them? Having dealt myself with the voice box at the Department of Human Resources Development, I can tell you that there is cause for frustration, and serious frustration.

I think that we would show much greater respect for seniors and grandparents by remedying this kind of situation effectively than by simply dedicating one day out of the year to them. We would be showing that we care year–round.

The other example I would like to give you is that of repeated computer errors in recent months. I have received dozens of calls at my office about computer errors, and the problem was from coast to coast. Pensioners were no longer receiving the income supplement they were entitled to. They were not always provided with adequate information in this matter. Again, this is a case where the really respectful thing to do would have been to treat them fairly and with compassion.

At any rate, this bill on grandparents' day is very commendable. We can all dig out an anecdote from our pasts. My paternal grandfather has always been a model of honesty to me. He was a man who wanted the matters he discussed with others to be clear and to get settled. That is something that he taught me and that is now part of my background. Each and every one of us in this House could tell a similar story.

• (1745)

The same is true of my maternal grandmother. I could tell you about her strength of purpose and about how she inspired me through my studies. We have to realize that we are definitely influenced by such role models, and grandparents do make an important contribution to their grandchildren's education. As we get older, we realize the full significance of that contribution, particularly when we know what grandparents have gone through and what a source of wisdom they can be.

Who knows? Having a grandparents' day might trigger a debate on how to better benefit from their experience. I remember my grandfather telling me about voting on conscription during the Second World War, and about the political context of the fifties. The past is a treasure trove of information to help us make decisions, now and in the future.

We often notice that young people lack a sound knowledge of our history. One way to remedy that might be to rely more on the experience of grandparents, who can bring us a lot, in a concrete way, in our daily lives, rather than in terms of our formal history. When we think about the grandparents' contribution, it should not only be in terms of their role with grandchildren, but also with the parents who are sandwiched between the two generations.

In the daily grind of raising children, it is sometimes useful to take time out to turn to grandparents, who have often raised much larger families than those of today and have been through all sorts of situations that have equipped them to give us useful advice.

It seems to me that this bill is a good idea. It is recognition that is only reasonable and which our grandparents deserve. But this recognition should be given in the same spirit year round, it should be reflected in government services for seniors, in our

concern for their basic financial security, so that we are sure that the way they are treated on Grandparents' Day is the way they are treated every day.

I will conclude by saying that in addition to the idyllic images of grandparents that we often see on television, the traditional families, but there are also much more difficult situations. Grandparents are often excluded from family life and live alone in cramped quarters, and I think the setting aside of a national grandparents' day, as with everything to do with the family, would be an opportunity to recognize that there is no one model of a family, any more than there is no one type of grandparent. These seniors have contributed in a variety of ways to the growth of our society.

I hope that by recognizing grandparents' day we will make it possible for values to be transmitted from one generation to another, that we will realize what the past has given us and what we must still seek in order to attain our vision of the future, and it is for these reasons that the members of the Bloc Quebecois support this bill.

[*English*]

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, it is my pleasure to second the bill on grandparents day, declaring the second Sunday in September every year national grandparents day.

• (1750)

Earlier this month I introduced a bill which would declare 1995 the year of the grandparent. I believe this is the third time this year grandparents have been recognized by various parties in the House. During the last debate, on May 2 of this year, there was a unanimous endorsement of that private member's bill.

It was rather disappointing that the committee assessing the bill considered it non–votable. Whether the arguments I put to the committee were not convincing enough, I am not sure. Perhaps I should bear some responsibility for that. Nevertheless, the feelings in the House crossed all party lines, a rare occurrence. I wonder whether in this, the third instance of recognition of grandparents this year, the hackneyed phrase family values has again risen to the fore in our society.

In the debate on May 2 there some statements registered very strongly with me. One was that grandparents are a pillar of our existence. I had the privilege of having one grandparent whose strength and values were imparted to me as strongly as those of my parents. He was a pillar of my existence.

I have underlined showing the way by example. Grandparents do their very best in leading by way of example. They impart those examples to their grandchildren. The word wisdom caught my attention. Grandparents are most often much wiser than parents because of the accumulation of experience and the way they can interpret life for their grandchildren.

Another word which came up was tolerance. As we grow older we tend to be either more tolerant or less tolerant. I have found the grandparents of our children and my own grandfather had tolerance. They set the standard for tolerance.

They provide strength and enrich the family. When things go wrong, as they often do in family life, grandparents are often a source of strength and security. Children need to feel secure on a continuing basis. It cannot be a start and stop affair or catch as catch can. Very often grandparents can fill the role of providing security. That leads me to one of the great concerns all of us in the House share. With the divorce rate and the break–up of families very often grandparents at the present time find themselves without access to their grandchildren.

• (1755)

I will be doing everything I can to make sure that state is changed so grandparents in future will be able to have proper access to grandchildren especially at the time in their lives when they need them so badly.

Other words I found are grace and dignity. I have talked about family strength. The grandfather I had a great experience with lived by a very strict code. He imposed a code of conduct on himself, for which he was admired by so many in the small community where we lived.

He did not always preach about it. He did not always try to impose it, although sometimes he looked with wonderment at the way the world seemed to change. We all agree the more things change, the more they remain the same.

As I get older I find myself more appreciative of that code my grandfather imparted to me. I hope some of that has by example been shared with our children who did not know that great–grandfather.

They also knew grandparents; they grew up with more grandparents than I had. Those grandparents were wonderful people in the way they helped our family, the graciousness with which they accepted responsibility we often imposed on them when they took care of our children, when we needed them.

Grandparents have a much stronger role to play in family life than society has acknowledged to this point. The year 1995, with the recognition and debate we have put forward in the House, should set the stage for the years to come as recognizing the importance of the family and the role grandparents have in it.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am pleased to speak on Bill C–274, proposing to make the second Sunday of September every year national grandparents day.

When I arrived at the House I had some good feelings about this bill and I was in a good mood. Then I watched as the member for Don Valley North sought unanimous approval to have his bill made votable. I understand the member for Don Valley North first sought in committee to have his bill made votable and was denied. I just wonder what kind of heartless minds exist in the Liberal Party opposite. The member for Don Valley North simply sought to have his bill recognized by a vote in the House, hoping for a majority vote for a bill which would stir the emotions of Canadians and was denied.

• (1800)

I proudly support this bill. It was put forward by a member of the Liberal Party and I am very pleased to support because it does not cost the Canadian taxpayer one red cent. It is very unusual for a bill to come forward from the Liberal Party that is not going to cost the taxpayer some money. I congratulate the member for Don Valley North for putting it forward because it is something we have not been used to in the House.

In the past a number of bills have been forced through the House by the Liberal Party. Bills C–33 and C–34 will cost the taxpayers millions upon millions of dollars. They were rammed through the House using closure. The government tried to put Bill C–22 through the House. It would take away the freedom of private citizens to challenge the government in a court case.

We saw the Liberal government try to put through a budget in the House last February that is going to increase our national debt by $100 billion over a three–year term and add about $10 billion or $12 billion to our annual interest payments. The government is trying to put through Bill C–68 which will cost the Canadian taxpayers perhaps $500 million.

It is a great day in the House of Commons, a great day for the Liberal Party and a great day for Canada to have a member of the Liberal Party try to put through a bill in the House that is not going to cost the taxpayers one red cent. I congratulate the member for Don Valley North for this bill.

That is a celebration in itself, but I have another reason for speaking to this bill. As a member of Parliament I get a special perk today. I can stand up in the House of Commons of Canada and on national television I can announce that yesterday I was informed that I am going to be a grandfather before this year is over. Therefore this is absolutely appropriate. This proves beyond a shadow of a doubt that you do not have to be old to be a grandfather.

I am proud of my daughter, Lisa, in Vancouver. She will be a mother some time later this year and she will make me a grandfather. I am going to be able to realize some of the personal satisfaction that you get from being a grandfather, particularly when I get to babysit and the kids get cranky, I will know the parents are coming home sooner or later that night.

In a more serious vein, it is very important to recognize a day like grandparents day because it not only recognizes the important role that grandparents play in the lives of families, but it also recognizes the tremendous contribution that our ancestors have played in the building of the country.

I am a firm believer that it is the family unit; the mother, the father, the children, the grandparents, the aunts and the uncles who built this country as strong as it is now. I also believe above all else that this Parliament has a responsibility to ensure that the family unit is not broken down any more than it is already. Parliament has a responsibility to try and rebuild the family unit as it was prior to the 1960s.

• (1805)

The taxation levels since the mid–sixties have risen to a point where it is almost a demand that the mother of a family go out to work in order for the household to have enough disposable income to support the family. That is a tragedy and is one of the things that has broken down the family unit.

Grandparents can and do play an important role when the two spouses in a household are working. It is an absolutely critical time in the lives of children who become, through no wish of their own, latchkey kids. The parents of these kids, because of their jobs, are too busy to spend time with them. This makes the grandparents' role even more important.

I want Parliament to recognize that grandparents are part of the formula for making a family unit strong. For that reason alone, just that one reason, we should support this bill.

Another thing about grandparents that I find very important is they tend to pass down family values and history from one generation to another. Grandparents who spend a lot of time with their grandchildren generally have more time to talk to the kids about how their parents are working so hard to try to provide a home for them, to try to provide an education for them, something the parents often do not have time to do. This is a very important role for grandparents and they should be recognized for that as well.

A huge number of grandparents have also played an important part in the protection of democracy. They fought in the wars. They fought against fascism and communism in order to preserve the democracy we hold in such high value. They should be recognized for this as well.

I can speak from experience because I was a child in a one parent home. My mother worked every day while we were being brought up. Many times the only people I had to turn to for help with problems were my grandparents. I am eternally grateful for

the role they played in my life and the values they tried to instil in me that became beneficial when I grew up and started a career.

Grandparents day would provide an excellent opportunity for all Canadians to recognize the very important role grandparents play in a family.

I move that the House respond in a fashion that would come from the heart and not from instructions received from a committee and that unanimous consent could be given today that Bill C–274 become a votable motion.

[*Translation*]

The Deputy Speaker: Hon. members, is there unanimous consent for transforming the motion on Bill C–274 to make it a votable motion?

Some hon. members: No.

The Deputy Speaker: Resuming debate. The Parliamentary Secretary to the Prime Minister.

• (1810)

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, it is a pleasure for me to address the House on the private member's motion to establish a special day in recognition of grandparents for their enormous contribution to families and society. Liberals recognize this.

There is a process whereby private members' business gets to the House. The procedure was followed by an all party committee with the member across the way being a member of that committee. Tonight I will address the private member's motion on the recognition of grandparents.

Creating a special day for grandparents will afford Canadians the opportunity to further demonstrate their continuing commitment to the family. As Liberals we believe this. It is not dollars and cents. It is a philosophy Liberals believe in and share with members across the way.

I fondly remember my own grandmother. She was a wise woman, though uneducated in a schooling sense. She affirmed me with words like: "Child, you can do it". It is women like my grandmother that most of us in this room do remember. Maybe most of us are here as a result of the affirmation we received from our grandparents.

In December 1991, Canada ratified the convention on the rights of the child, a landmark in Canadian social history. Countries agreed that children should grow up in an atmosphere of happiness, love and understanding with the protection and assistance required for the full development of their personalities to better prepare them to become responsible adults. One of the central truths of the convention is based on the conviction that the family is a fundamental group of society and the natural environment for the growth and well–being of all of its members, particularly children.

The role of a grandparent is vital to the child. Grandparents can be companions, becoming friends more than parents. The relationship can be a major source of satisfaction to both the grandparent and the grandchild. Other members have referred to the fact that in today's society with marriage breakdown and single parenting, some grandparents take on the role of surrogate parents.

According to a study conducted by the British Columbia council for the family, grandparenting provides the older adult with a feeling of self–worth, a source of love, respect and support. Being a grandparent is a potential source of giving and receiving affection.

Grandparenting is also a means of establishing a link between past and future generations. Continuity, together with unconditional love, forms the cornerstone in the development of a child's self esteem and sense of trust. Among the riches that are passed down are language, culture and the wisdom that comes from experience.

A recent television show characterized the role of grandparents as one of providing both the roots and the wings of a whole generation of people. This is an apt definition of grandparenting.

Seniors, the majority of whom are grandparents, are a vital part not only of their own families, but also of all aspects of community life. They are active members of their communities. Some continue to do paid work, as does the member across the way. Some are members of churches, seniors organizations and clubs. Fitness and sports groups and cultural organizations such as art galleries, drama and musical groups all have the talent of our seniors. Seniors are involved in social action. They are teachers. They are board members. They are volunteers and they are politicians.

• (1815)

As we consider a grandparents day we should also contemplate our collective Canadian family in which seniors play a critical role. The uniqueness that grandparents bring to the family is in my opinion and that of many others worthy of being celebrated with a national grandparents day in Canada.

Grandparents and seniors in general deserve a day to commemorate their extensive and important contributions. This is why I support the private member's motion that is before us.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C–274, an Act respecting a national grandparent's day, introduced on September 27 by the hon. member for Don Valley North.

I want to commend the hon. member on his praiseworthy suggestion that throughout Canada, and each year, the second Sunday in September shall be known as grandparent's day. He can count on my full support and that of the Bloc Quebecois. I have a special interest in this proposal, being myself a grandfather and representing the riding of Bourassa in Montreal North, where 15 per cent of the population is in the 65 and over age group.

In 1994, the AQDR of Montreal North was founded as a branch of the Association québécoise pour la défense des droits des personnes retraitées et pré–retraitées, whose basic objective is to improve the living conditions of this group: income, taxes, health, accommodations, transportation, social policies and so forth. The organization already has more than 300 members.

I would like to express in the House my profound gratitude and best wishes to the members of the executive elected at the annual meeting held on May 29, the day before yesterday: Jean–Claude Potvin, president; Roger Lagacé, vice–president; Pierrette Vallières, secretary; Martine Leduc, treasurer; and advisers Umberto di Genova, Audette Thibault, Régine Daigle, Guy Baril, Claude Ouimet, Pierre Grondin and Joseph Zara. Like many other seniors, these people do a lot of volunteer work and are known for their dedication and generosity.

Bill C–274 is justified in every respect. This day should have been established long ago. Fortunately, a number of provinces and municipalities as well as many organizations and seniors' homes already unofficially celebrate a day known as grandparent's day. I think the time has come to officially recognize the second Sunday in September of each year as the day on which we pay tribute to our seniors and especially to grandparents.

In 1978, U.S. President Jimmy Carter decided that the first Sunday after Labour Day would be set aside to pay tribute to grandparents. A dynamic and remarkable grandmother from West Virginia, Marion McQuade, had fought for years to have a special day set aside for senior citizens in the United States. I hope that Canada will be inspired by this example and act accordingly.

The government, in particular the Minister of Canadian Heritage, must take the lead on this issue. Grandparents are extremely important for their grandchildren, especially until they reach adolescence.

Seniors are becoming a proportionately larger sector of our population. We estimate that their numbers will increase by 40 per cent in the next 15 years. Therefore, the government must take real steps to recognize the important contribution they make to society. Unfortunately, despite its many promises, the Liberal government has done nothing to improve the situation of seniors.

• (1820)

On the contrary, they cut their tax credits, and, knowing this government's philosophy and vision, it is quite likely that they will take even more away from them, in particular in the area of old age security benefits.

Furthermore, I would ask the government to stop reducing grants for organizations which finance seniors, in particular programs like New Horizons.

I have had the great joy of being a grandfather for two years now. In fact, the wife of my oldest son gave birth to little Olivia in 1993 when the election campaign was in full swing. My whole family, including the child, was a great help to me during that period. I regret that my work as a parliamentarian does not leave me much time to play with and take care of my granddaughter Olivia.

According to recent statistics, 90 per cent of all children have at least one living grandparent. Unfortunately for me, my grandparents all passed away before I was born. I even lost my mother and father when I was 11 and 13 years old respectively. Admittedly, one half a century ago in Chili, a developing country, life expectancy was not very high.

The fact that I never knew my grandparents did not prevent me from understanding and valuing their importance for families and society, be it for children, adolescents or adults. They convey stability, link the generations and transmit certain fundamental values which must be preserved. And today, with so many break–ups in couples, their role has become even more important. In certain instances, they are the ones who raise their grandchildren and care for them.

Three Canadians out of four 65 years of age or older are grandparents. Naturally, you do not have to be 65 to be a grandparent. Some grandparents today are even in their forties or fifties.

I am proud to point out that Quebec has officially recognized the role of grandparents in article 611 of the Civil Code, which reads as follows: "In no case may the father or mother, without a grave reason, interfere with personal relations between the child and his grandparents".

This provision, therefore, accords grandparents the right to visit and take their grandchildren out. Unless there is an agreement between the parties, the terms of these relations are decided by the court. In all cases, the judge will consider the welfare of the children first and will consult them as need be.

Grandparents are very concerned about the happiness and well–being of the children and do everything within their power to improve their world.

For all these reasons, I enthusiastically support Bill C–274.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I realize that private members' hour is coming to an end, but I want to take the opportunity to thank the member for Don Valley North for raising his private member's initiative.

Private members' bills very rarely get selected to be votable in the House and very rarely get passed. That does not mean they are not important. They are extremely important. I assure all members of the House and all the people of Don Valley North that their member has worked extremely hard lobbying all members of the House to support this important initiative.

I do not know anybody who does not like grandparents. Everyone has stories. One of my grandfathers was a butcher and the other was a carpenter. From one I learned how to do carpentry work in my home along with other related home improvements and from the other I learned about foods and about eating. He had a grocery store as well. It was wonderful to go there to see him work. He loved his grandchildren so much. They are both gone now.

• (1825)

The grandmothers, the matriarchs of all families, took care of us and loved us as if they were our mothers. They took very good care of us when we were young and learning. They were always there when our parents had problems. They were always there to provide the support and the love we all need. Obviously grandparents play a very special role in our lives.

I want the hon. member for Don Valley North to have a couple of minutes for his final rebuttal, but I simply reiterate that he has worked hard to bring recognition to an important aspect of our lives, our grandparents. I congratulate him and all members of the House who have taken the time to thank the member for raising it and to make special mention of their grandparents.

The Deputy Speaker: The mover of the motion will speak last and will have the right to close the debate.

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I thank all members who spoke in favour of the motion. I notice that nobody spoke against it.

However I would like to set the record straight. The hon. member for the Reform Party said that Liberal members did not support the motion. The subcommittee on Private Members' Business did not recognize the motion as being votable. Once the subcommittee says no it is highly unlikely members of the House will say yes because we respect the independence of the subcommittee. On that subcommittee there are members of the Reform Party, of the Bloc Quebecois and of the Liberal Party.

Once again I thank all members who supported the motion. As the expression goes, he who runs away may live to fight another day. We will come back to the issue at some other time. We will ensure we pass the motion with the support of all parties before this Parliament is dissolved in 1997 or 1998. We will ensure that the grandparents of the country have a day to celebrate.

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

HEALTH

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, in the middle of March I asked a question of the Minister of Health concerning the betrayal of budgetary promises for federal funding for the community action program for children, or CAPC, a program for vulnerable and at risk children. At the time I urged the minister to reconsider the drastic cuts in funding for the program and pointed out to her that in effect she and her government were cutting the deficit on the backs of the poorest and most vulnerable children.

In response the Minister of Health stated that the budget did not dramatically cut CAPC. She said that it reduced the actual growth of the program.

I have a memo written by the regional director for health promotion and social development in the British Columbia region who confirmed that in fiscal year 1996–97 there will be an approximate 30 per cent reduction to the original allocation and the following fiscal year, 1997–98, will see an approximate 50 per cent reduction to the original allocation. If that is not a dramatic cut in funding for programs for poor, at risk, and vulnerable children, I do not know what is. It is a shameful betrayal of the promises that were made. Certainly groups such as the B.C. coalition for children and individuals who are working with poor children share that sense of concern. Minister Joy MacPhail with the B.C. government has spoken out strongly against these cuts.

• (1830)

It is very clear that these cuts are part of a broader agenda of the government. We see it in Bill C–76, enormously destructive legislation, which this government is now ramming through the House without even allowing the public to have hearings across

the country, without even allowing the possibility of a committee of eminent persons to review the destructive impact of this bill.

We know that the bill will gut the Canada assistance plan of its national standards. This will open the door to workfare and cheap labour standards. We know as well that it will dramatically cut funding for post–secondary education.

It is in the area of health care and medicare that I want to raise a couple of very grave concerns as well. The implications of this government's policies in the area of health care are very serious, the implications of Bill C–76. There is no doubt that we are going to see the possibility of a massive erosion in the quality of health care. We will see two tier health care. It is a direct consequence of the North American free trade agreement. We know that once the provincial governments move to de–insure any medical services it is open season for private insurance companies. Under NAFTA this is considered to be a market commodity. That is why the private insurance companies are just waiting to get in and make money.

This legislation is enormously destructive for the social fabric of the country. It was the member for Notre–Dame–de–Grâce who said that these cuts will cause considerable harm and pain to a segment of the population that has already been hit very hard. He said: "The cuts are not only wrong in principle, but contrary to what we said in the red book, contrary to what we did during nine years in opposition, and completely junking all of the principles we stood for".

I call on the government to reinstate the funding for the community action program for children. I call on the government to reverse Bill C–76, to recognize that the United Nations committee on economic, social and cultural Rights has been very critical of this legislation and recognized that we are in breach of our international obligations under the international covenant on economic, social and cultural rights.

There are alternatives. The Prime Minister has suggested that medicare was only intended to be temporary in terms of federal involvement. He said it was only intended for catastrophic illness. Well it is time for this government to look at alternatives. It is time they rescind Bill C–91, which was a gift to multinational drug companies. It is time they implement the 1995 alternative federal budget, which was a very different approach. It is time in the area of health care that we place far more resources into preventative health care, as was recommended by the Canada health coalition, the Hospital Employees Union in British Columbia, the National Federation of Nurses Unions, the Council of Canadians, the Canadian Labour Congress, and many others.

It is time that this government came to its senses and recognized that the impact of Bill C–76 and of its budget and budgetary policies is to shred the social safety net, is to mean that poor kids are going to get even poorer, that the gap between rich and poor will be greater, and that our health care system, the Canada assistance plan, and post–secondary education will all come under attack.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I would like to respond to the member for Burnaby—Kingsway's question of March 15, and not really the last gospel that we just heard recited.

Children continue to be a priority for the Government of Canada, especially those who currently live in conditions of risk and poverty. As the House is aware, given the fiscal realities that all Canadians face, the federal government has had to make some very difficult choices.

The budget for the community action program for children, CAPC, has not been reduced dramatically and is still quite substantial. In the next two years over $92 million will be available through the community action program for children.

Let me assure the hon. member that the reduction to the community action program for children was applied in an equitable manner. All jurisdictions, including British Columbia, will continue to receive the percentage of total CAPC funds originally agreed to in the respective protocols signed with all provinces and territories.

• (1835)

The community action program for children remains a model of how different levels of government can work together with community groups to address the health and social needs of at risk children.

In addition to the children's action program, the government is making significant investments in new programs. For instance, the aboriginal head start and the Canada prenatal nutrition programs also address the social and health needs of children at risk and their families.

As stated in the red book, we must give our children the best possible start in life. Investing resources in our children is investing in the future of our country.

[*Translation*]

AGUSTA

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, we have another instance of lobbying, patronage, and maybe corruption with the Agusta affair involving an Italian firm, Agusta S.p.A., a manufacturer for the EH–101 helicopter contract which was cancelled and for which there was to be no compensation.

The present Prime Minister said that there would be no compensation. And I quote:

[*English*]

"The program is cancelled and there isn't any compensation for anybody".

[*Translation*]

And yet, there has already been some compensation. The firm Unysis has received $166 million in compensation. There are ongoing negotiations with Agusta, and with Westland, regarding compensation, despite the fact that the Prime Minister said that there would be no compensation, despite the fact that some ministers have already spoken against it and would have liked an inquiry into this affair.

This is serious. As we know, Agusta was found guilty of corruption in Belgium, and gave bribes in Italy. This firm has a very bad reputation. Yet, the government is now reaching agreements with lobbyists, some of whom, like James Deacey and Daniel Despins, are well known Liberals with very close connections to the party, are currently negotiating compensation for a firm. At the same time this government is cutting social programs. It has reduced the social housing program by some $300 million in Canada. Of course, the poorest people arre getting hit, but the government is about to give millions and even hundreds of millions of dollars to a firm which does not deserve it at all.

This is another example of the power lobbyists exert on the federal government, as was seen in the case of Power DirecTv, which was perhaps an even more serious example of nepotism. As we know, the son–in–law of the Prime Minister had succeeded in having a CRTC decision overturned, in favour of his own company. This is yet another example of the power of lobbyists and of the patronage which prevail with this government.

The issue concerning Agusta is whether or not to provide compensation. We asked the minister responsible and he seemed to indicate that he was negotiating to that effect. But do we compensate or not? I know that the government's answer will be very vague. We will not know for sure. The government will tell us: "Well, we are negotiating, we are discussing, but this is not really about compensation".

We are suspicious because, in fact, the government will once again try to find a few hundred millions and give that money to a company which does not deserve it, all this at a time when it makes cuts in social programs and social housing in this country.

Can we say that the Prime Minister of Canada is keeping to his word, since he said this regarding the EH–101 helicopter program:

[*English*]

"The program is cancelled and there isn't any compensation for anybody".

[*Translation*]

Those are the Prime Minister's own words. Is this Prime Minister keeping his word or not? We want to know if there is any compensation. If there is, and if there are negotiations, perhaps we should even have an inquiry into this case, because Agusta, as I said earlier, has a very bad reputation, and has already been convicted of corruption in Italy and in Belgium.

So, I ask the question, and I hope to get a clear answer from the government.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I have never been nebulous in my life.

Which word did my hon. friend not understand? I will do this very slowly to make sure the member gets it. The Government of Canada did not breach the contract with EH industries. The government terminated the contract in accordance with the termination clause and in accordance with our promise in the red book which we kept on November 5, 1993 as soon as the Prime Minister took office.

The Prime Minister did say absolutely that there is no compensation for anybody. Furthermore, he said that ministers involved would make sure we do not pay a cent more than that we are obligated to pay. His statements are entirely correct. The Government of Canada is not negotiating a compensation settlement with EH industries.

I ask my hon. friend to read the contract. The contract was arranged and signed by a previous government which had as a member the hon. gentleman who sits in the front row and leads my hon. friend's party. However, a mere bagatelle.

Contractors are being reimbursed only for costs legitimately incurred up to the point of termination plus those costs arising directly out of termination. No compensation is being paid; no penalties and no lost profit for the cancellation of the contract. Which word does the member not understand?

If people should choose to hire lobbyists when the government goes forward in the purchase of other military equipment, that is their prerogative. I make it very clear that no firm requires the services of a lobbyist to do business with the Government of Canada.

We might ask, however, who is lobbying the hon. member across the way on this issue? As for the suggestion there are backroom negotiations between members of the government and lobbyists in this matter, it is simply untrue.

I am confident the errors being presented as fact by the Bloc are the results of poor research and misunderstanding rather

than a desire to mislead. Thankfully I have had the opportunity to explain the real facts.

The Deputy Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.42 p.m.)

HOUSE OF COMMONS

Thursday, June 1, 1995

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

UNAUTHORIZED USE OF PHOTOGRAPH

The Speaker: My colleagues, a short while ago the hon. member for Saint John raised a point of privilege. I had suggested to the House that we wait until we hear from the minister who was involved. Today the Minister of Health is with us and I have been informed that she has asked to make a statement.

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I rise today to respond to a question of privilege which has been put before the House by the hon. member for Saint John.

The question concerns the inclusion of a photograph of the hon. member in a report released by Health Canada on May 19 of this year. The motion is serious and it is important that the House be apprised of the facts involved. According to the information provided to me by my officials, after looking into the matter, they are as follows.

The report contained the findings of an independent panel of experts which had been commissioned by Health Canada to assess the possible impacts of plain and generic packaging of tobacco products. I want to emphasize the independence of this panel. It was given the authority and responsibility to produce an objective and unbiased assessment of the issue. The research conducted by the expert panel included a visual image experiment. It was in this context that a photograph of the hon. member appeared.

A private company was contracted by the panel to provide test pictures for this study. The company has advised that the method by which the photograph of the hon. member was selected is widely used in consumer image research and that it is not common practice to use release forms.

In this instance images from a variety of public sources, including libraries, magazines, stock image inventories and images in the public domain were compiled by a student on work placement with the firm. These images were then sorted and filed according to certain criteria which had been established by the panel. Final selections were made by the panel after it had reviewed all of the images.

The company has confirmed that numerous images were seen throughout the sourcing and selection process by all members of the project team but that at no time did anyone recognize one of the photographs as being the member for Saint John.

There are other points which I believe should be brought to the attention of the House. These pertain to several statements made by the hon. member when she rose on this question of privilege.

• (1010)

The first concerns the language used in the report to describe the photograph of the hon. member. The only description of that photograph is the one on page 91 of the report. Members will find that it does not correspond to the description that the hon. member has attributed to the report in her motion.

The second concerns the suggestion that this incident is similar to a 1985 question of privilege which the hon. member cited in her motion. It is important that the House be aware that unlike the situation in 1985, the hon. member in this case is not identified in the expert panel report by name as a member of Parliament or in any other manner.

The hon. member has asked for a public apology. I can inform the House that apologies were conveyed by all concerned without delay. I spoke to the hon. member and wrote to her within hours following the release of the expert panel report. I repeat today the regret that I expressed at that time.

The company that provided the photograph in question issued a public apology as did the expert panel. Canadians were advised of these actions through a statement issued by my department to the news media that same day.

The hon. member has also asked for an explanation of the events that accounted for the use of her photograph in the expert panel report. That explanation, which I have related here this morning, was provided in a letter to the hon. member which I am tabling today for the information of the House.

The Speaker: Colleagues, I thank the hon. Minister of Health for giving us the information. This circumstance carries quite a few ramifications for all sitting members of Parliament. As was suggested by the hon. member for Kingston and the Islands, I would like some time to review both the statements of the hon. member for Saint John and the hon. Minister of Health.

After my deliberations, I will return to the House with a decision. I thank all members for their interventions.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to one petition.

* * *

DEPARTMENT OF HEALTH ACT

Hon. Diane Marleau (Minister of Health, Lib.) moved for leave to introduce Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

BILL C–240

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Madam Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of 60 individuals from the riding of Saanich—Gulf Islands and surrounding areas.

The petitioners call on Parliament to enact legislation against serious personal injury crimes being committed by high risk offenders by permitting the use of post–sentence detention orders and specifically passing Bill C–240.

• (1015)

MINISTRY OF HUMAN RESOURCES DEVELOPMENT

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Madam Speaker, pursuant to Standing Order 36 I would like to present a petition this morning, which has 922 signatures.

The petition pertains to the Ministry of Human Resources Development and the objection to improving the social security policy in Canada, which is unacceptable to these nearly 1,000 students of my riding.

HUMAN RIGHTS

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I have several petitions I would like to present this morning.

The first petition is from constituents in the Blind River area of my riding. The petitioners wish to express to the government their concerns with respect to the issue of same sex legislation.

On the same issue, there is another petition signed by folks from the area of Blind River and Algoma Mills.

BOSNIA

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I would like to present a petition that has to do with the rape of women in the war in Bosnia. Constituents from the Sault Ste. Marie area of the Algoma riding wish to express their concerns on the issue.

BOVINE SOMATOTROPIN

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Madam Speaker, pursuant to Standing Order 36 I have the honour today to present a petition on behalf of certain individuals from my riding of Saskatoon—Humboldt as well as other areas in the province of Saskatchewan.

The signatories to the petition are deeply concerned about the use of BST in dairy production and urge the House to desist from passing legislation legalizing the use of BST and require that products using BST be identified on their entry to Canada.

HUMAN RIGHTS

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, it is my duty and honour today to present three petitions from people from across Canada.

Two of the petitions are signed by almost 200 individuals who call upon Parliament to oppose any amendments to the Canadian Human Rights Act or to the Canadian Charter of Rights and Freedoms that provide for the inclusion of the phrase "sexual orientation".

I concur with the petitions.

EUTHANASIA

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, the third petition I have the honour to present today is from people in the Vancouver area, some of whom are from my riding of Port Moody—Coquitlam.

The petitioners pray that Parliament ensure that the present provision of the Criminal Code prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the

law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

GUN CONTROL

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, I am pleased to present a petition in accordance with Standing Order 36 on the subject of gun control.

The petitioners request that Parliament support laws that would severely punish all violent criminals who use weapons in the commission of a crime. The petitioners also request that Parliament support new Criminal Code firearms control provisions that recognize and protect the rights of law–abiding citizens to own and use recreational firearms.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suggest that all the questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—FEDERAL–PROVINCIAL JURISDICTIONS

Mr. Gaston Leroux (Richmond—Wolfe, BQ) moved:

That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial areas of jurisdiction and construct an entirely centralized state, as can be seen from Bills C–76, C–88, C–46 and C–91, all designed to take substantial powers away from Quebec and transfer them to the federal government.

He said: Madam Speaker, on this opposition day, the Bloc Quebecois is presenting the following motion:

That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial areas of jurisdiction and construct an entirely centralized state, as can be seen from Bills C–76, C–88, C–46 and C–91, all designed to take substantial powers away from Quebec and transfer them to the federal government.

• (1020)

With this motion, the Bloc Quebecois, the official opposition, is seeking to denounce the extremely centralizing offensive

launched by the present federal government. It also wants to show that the ultimate goal of the federal Liberals is to establish a de facto unitarian state in Canada. We have seen with recent federal pieces of legislation dealing more specifically with regional economic development, such as Bill C–46 on establishing the Department of Industry, Bill C–88 on interprovincial trade, Bill C–91 on redefining the Federal Business Development Bank, and Bill C–76 regarding certain dispositions concerning transfer payments to the provinces, the increasingly centralizing approach of the present federal government.

This motion, which I present this morning on behalf of the Bloc Quebecois, is a warning to provincial governments to beware of the interference of the federal government with regard to regional economic development. I urge them to be vigilent and not to let some of their powers slip away as their provincial autonomy is put on the back burner because of the upcoming referendum in Quebec.

Even though every single piece of legislation being presented by the federal government in the area of regional economic development has an impact on the political autonomy of all, this morning, I want to address my comments more specifically to my fellow Quebecers. Because they deny the specificity of Quebec, and the need for Quebec to have its own tools of development, it is in Quebec that federal centralizing measures hurt the most.

One of the effects of the Constitution Act, 1982, the "Canada Bill", was to establish provincial equality where all provinces would be on the same level. It created a sort of egalitarianism which denied the Canadian duality and the very existence of the Quebec nation. It is on this kind of egalitarianism that they will base today's Canadian nationalism. Towards the end of the sixties, Pierre Elliott Trudeau came to power with a nationalistic vision that he would not give up in spite of repeated interventions. The establishment and development of a more unified Canadian economy had to be based on the rationalization of government operations and on the concentration of powers.

In June 1978, in a context of unilateral patriation of the constitution, the federal government published a meaty declaration by Pierre Trudeau under the title *A Time for Action*. In fact, it was a very elaborate constitutional reform project. One can see from that declaration that, even though the Canadian people is the result of sociological and historical diversity and comprises the first nations, who have legitimate rights we must respect, two large linguistic groups and numerous cultural communities, the constitutional approach of the federal Liberals is essentially based on the primacy of citizens and individual freedoms.

Therefore, and I am quoting part of that published declaration: "The unity of Canada must transcend the identification Canadians have with provinces, regions and linguistic or other differences. —Each must feel that Canada, and the federal Parliament and government acting on his or her behalf, are the best guarantors of the security".

As member of the Bloc Quebecois, the official opposition, I say to my fellow Quebecers that such a declaration, such a statement of intent, threatens considerably the existence of the Quebec state and the Quebec nation and threatens also the economic development tools we want to give ourselves.

The referendum failure of May 20, 1980, the failure of the PQ government's proposal, changed the circumstances. The federal government now enters into negotiations by taking the offensive; it starts by reminding us that decentralization is not a solution to Canada's problems and states that the Canadian federation sorely needs the federal government to ensure a strong economic management.

The Canada Act, or Constitution Act of 1982, includes in the famous Charter of Rights and Freedoms, a formal amendment limiting the capacity of provincial governments to obstruct economic mobility and therefore extending federal jurisdictions to all essential matters necessary to preserve the economic union. The goal is to put an end to the many provincial initiatives which impede the mobility of production factors; in other words, Ottawa is trying to marginalise the provincial level.

• (1025)

We find the same objective in the federal position on all the important questions relating to areas of shared jurisdiction.

For example, Bill C–88, an act to implement the agreement on internal trade, signed by the provinces last summer and denounced by the official opposition, is a direct result of this highly centralizing outlook of the Canadian government, started by the federal Liberals. Bill C–88 gives the federal government powers which were never considered at the time the agreement was negotiated or signed, and embodies the extremely centralizing position of the federal Liberal government.

Indeed, clause 9 of the bill goes way beyond the spirit of the agreement signed last summer. It reads as follows: "For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against the province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following—" What we are talking about, here, is an order in council. This is no laughing matter. Orders in council, or decrees, are generally the means used by totalitarian governments. What this clause says is that the Liberal government wants to govern by decree. Are we faced with the prospect of a Liberal dictatorship?

Similarly, the text of clause 9 means that, if ever a party is recognized at fault pursuant to article 1710 of the agreement—and I would like to remind you, Madam Speaker, that article 1710 deals with retaliatory measures—the aggrieved party can take retaliatory measures against the other party which does not conform to the agreement.

Now, the federal government, no matter whether it is part of the dispute or not, is taking it upon itself to impose retaliatory measures on all provinces, without distinction. As regards this bill, the federal government shows its intention of setting itself up, in the area of interprovincial trade, as both judge and party, of establishing, within this agreement, an enforcement power that would take the form of an order in council, which it alone can invoke, and of extending the application of federal laws to the provinces, as is mentioned in paragraph *(c)* of clause 9.

Therefore, Madam Speaker, the fact that the government intends to govern by order in council and act as if it were in charge of interprovincial trade goes far beyond the spirit of the agreement that was reached by the provinces, last summer.

The government is assuming too much retaliatory power through this clause. Indeed, it is assuming excessive power to take measures against all the residents of a province. Obviously, clause 9 of Bill C–88 does not go in the same direction as the current tendencies in international trade. This is all the more relevant since economic development is based on competitive development, which seeks to take advantage of the quality of the workforce, the infrastructure, and the savings associated with conglomeration and urbanization.

It must be remembered that those levers come under provincial jurisdiction, since health, education, and land use planning come under provincial jurisdiction. By setting itself up as an arbitrator in international trade, under the Charter of Rights and Freedoms, and therefore Bill C–88, the federal government is impeding the development and the autonomy of provinces.

The spirit of the unitary state, of centralizing federalism opposed to provincial identity, thus directly impeding directly the development of the people of Quebec, can also be found in Bill C–46. This enabling bill for the Department of Industry adds to duplication and overlap in Quebec, and deprives the state of Quebec of exclusive authority over regional economic development.

Along these very centralizing lines, clause 8 of the bill specifies that the Minister of Industry of Canada, a minister from Ontario, is responsible for regional development in Ontario and in Quebec. This bill confirms the existence of overlap in regional development, by confirming the interventionism of the federal department of industry in an area over which Quebec has long claimed jurisdiction.

Quebecers have a very different way of looking at their regional economic development needs. Decentralization of budgetary envelopes and powers proposed by the Parti Quebecois is the answer that outlying regions in Quebec have long

been waiting for in order to take charge of their own interests. This is a democratic vision of regional development which has nothing in common with the centralizing vision of the liberal government in Ottawa.

• (1030)

Quebec does not want to see the development of its 16 administrative regions based on an exclusively industrial vision controlled by the federal department of industry. Regional development forms the basis of a social covenant which rests on an understanding of all the needs of the various milieux which only regional stakeholders can understand well.

I say to my Quebec compatriots that in the context of the referendum where they will have to decide on the political autonomy of Quebec, a negative answer to the proposal of the Quebec government team would mean accepting the centralizing federalism defined by Pierre Elliott Trudeau, and the end of the people of Quebec.

Bill C–91 is another example of denial of the existence of the Quebec State. With this bill, the government seeks to rationalize and modernize the Federal Business Development Bank, words undoubtedly well suited to the market realities of the end of this century, but that fool no one as to the primary objective of the federal government, that is to interfere even more in matters of regional development in Quebec while increasing its involvement in the main mechanisms of economic development in Quebec.

There is such a thing as a Quebec state. It is trying to create its own development instruments, despite the federal government's intrusive presence in economic development issues. The FBDB remains a parallel structure, an unacceptable example of administrative duplication. Several structures and programs addressing the needs of small business are already in existence in Quebec.

The Société de développement industriel is an example, though it was not used efficiently under the Liberal government of Premier Robert Bourassa. Programs like production assistance, with a contribution reaching up to 35 per cent of capital expenditures for a minimum investment of $100,000, and the Reprise de la PME program, which offers loan guarantees covering up to 80 per cent of a financial institution's net loss, are tangible illustrations of the Quebec State's involvement in assistance to small business.

Let us not forget the solidarity funds: the Fonds d'aide aux entreprises, which is managed by the regional development councils; the Fonds décentralisé de création d'emplois, managed by the Secrétariat au développement des régions; and Innovation (PME), managed by the ministry of industry, commerce, science and technology. All these attest as well that a very well balanced assistance structure exists already for small business in Quebec.

In his last budget, the Minister of Finance of the Quebec State, Jean Campeau, claimed he would maximize the use of venture capital by increasing the number of regional funds and creating the Fonds de solidarité de la CSN. Among such regional funds, I want to mention SOLIDE, a venture capital fund created under a program called SOLIDEQ, the purpose of which is to promote local development. The SOLIDEQ program was created jointly by the Fonds de solidarité du Québec and the Union des municipalités régionales de comté du Québec.

I cannot help mentioning the Caisses populaires Desjardins, that play an important role in the funding of small business by granting loans at the local community level. A network of 1,232 caisses populaires everywhere, throughout Quebec, provides almost a quarter of all business loans in Quebec.

So, this is what centralizing federalism is all about: parallel structures at outrageous costs that are directly responsible for the Canadian deficit. Centralizing federalism is responsible for the bankruptcy of the country.

Furthermore, clause 20 of the bill allows the Federal Business Development Bank to conclude agreements directly with individuals or organizations. This means that the FBDB could conclude agreements, among other things, with the Conseils régionaux de développement, as the Federal Office of Regional Development wants. However, in Quebec, the Act respecting the Ministère du Conseil exécutif forbids organizations operating under provincial legislation to conclude agreements with the federal government without the minister's consent.

Once again, the federal government is ignoring the Quebec government's existence and is shamelessly giving itself the power to act without consulting Quebec.

Finally, I would like to conclude by reminding the House of some of the elements of Bill C–76 that represent extremely centralizing and anti–Quebec measures. Bill C–76, which deals with the implementation of certain provisions of the federal 1995–96 budget, goes way beyond the scope of that fiscal year.

• (1035)

Indeed, clause 48, without prior negotiation with the provinces, will result in a shortfall of $2.5 billion, with $650 million in Quebec alone. Moreover, the implementation of the Canada health and social transfer will mean a shortfall of $4.5 billion in 1997–98 for the provinces.

The Bloc Quebecois, the official opposition, is also opposing this bill because it establishes a mechanism whereby the federal government, despite the fact that it does not have any constitutional jurisdiction over social programs, will be able to further interfere in these areas and impose national standards on Quebec.

Bill C–76 maintains national health care standards while taking away all transfer payments and introduces new standards in social assistance and postsecondary education. If the provinces do not meet these standards, their funds will be cut off by Bill C–76.

This arrogant kind of federalism does not decentralize powers in any way, as these national standards will limit the autonomy of the provinces in their own areas of jurisdiction. In addition, Quebec's distinct society will not recognize itself in the new national standards implemented from coast to coast in a sector as important to its cultural identity as education.

In fact, many observers and analysts have confirmed that Bill C–76 relegates the provinces to a purely advisory role and does not give them a veto on the introduction of new national standards in their own areas of jurisdiction. For example, in an editorial published in *Le Devoir*, Lise Bissonnette says this: "Bill C–76 treats postsecondary education as a social program and allows Ottawa to apply national standards in this and other sectors. The most that the provinces, whose jurisdiction over education is very clearly stated in the Canadian Constitution, can expect is to be consulted".

For her part, Chantal Hébert wrote in the March 31 edition of *La Presse*: "In the bill it tabled in the Commons to implement its February budget, the federal government opens the door to the unilateral introduction of new national standards in sectors such as postsecondary education, child care, etc—. In fact, Bill C–76 gives the provinces a purely advisory role in this exercise.—No provision of this bill requires prior provincial consent for the introduction of national standards for social programs".

In closing, I say to my fellow Quebecers that voting Yes to Quebec sovereignty would end federal interference in Quebec's areas of jurisdiction and lead to real savings by eliminating duplication and overlap.

Voting Yes to Quebec sovereignty would allow Quebec to develop job creation, manpower training, education, health and welfare policies in line with its needs and priorities.

Voting to Quebec sovereignty would also ensure that Quebec will no longer be vulnerable to federal low blows such as the patriation of the constitution in 1982 without Quebec's consent, and the federal government's unilateral cuts to transfer payments. In short, whatever the hon. member for Brome—Missisquoi may say, Quebec says Yes to sovereignty, to maturity, to trust, to openness, and to the pride of the people we already are.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am pleased to participate in this the official opposition's last opposition day before the summer adjournment, especially since the motion put forward by the hon. member for Richmond—Wolfe gives me and some of my colleagues an opportunity to dispel misconceptions voiced by our colleagues opposite on several major issues involving the Government of Canada.

• (1040)

I hope that the first group of ten Bloc members whom the Leader of the Opposition intends to send every week, starting this month, to spread the good word on the referendum are here today. They will have a better idea of what the federal government's intentions really are regarding each and every one of the bills mentioned in the motion put forward by the hon. member for Richmond—Wolfe.

Before getting on to these bills, I would like to comment on the part of the motion that reads "an entirely centralized state". It seems to me that this is going too far. I have known for a long time that the supporters of separation had a propensity for verbal inflation, but from what I can see today, they are more bombastic than ever. An entirely centralized state, they say. In fact, it is just the contrary, and the figures speak for themselves. Every study on the subject will tell you that Canada is one of the most decentralized countries in the world.

Compared to OECD countries, Canada is a federated country where the central government is the most diffused among all the public administrations. This means that, compared to the U.S., Germany, Switzerland, France or the United Kingdom, the Canadian government's share of revenues and expenditures is lower than that of the provinces and municipalities. In fact, the Government of Canada collects less than half of the overall public sector revenues.

In almost all other federated OECD countries, the central government gets more than half of these revenues. As for expenditures, in Canada, they are 3.5 times higher at the provincial and municipal level than at the federal level. How can a level of government that spends less than the other levels be described as centralizing? We must realize that decentralization has been going on for some time already in Canada.

Since the 1960s, a series of agreements have been entered into by the governments of Canada and Quebec, promoting decentralization. Successive immigration agreements have enabled Quebec to select who can immigrate to the province and to put in place its own immigration and host programs, all the while collecting substantial financial compensation from the Government of Canada.

At the international level, Quebec can deal directly with France and Belgium under Canada–Quebec framework agreements. There is also an agreement giving Quebec the status required to participate in the Francophonie Summit. In Quebec, the provincial government collects GST for the federal govern-

ment, thereby eliminating costly overlaps and duplications in federal and provincial tax collection.

Since the mid 1960s, opting out agreements have allowed Quebec to withdraw from a number of federal–provincial programs and to assume the related administrative and financial authorities. In 1992–93, the federal government paid more than $2 billion to the Quebec government under these opting out agreements.

No, Madam Speaker, Canada is not an overly centralized state, as members opposite would have us believe. Canada takes the necessary steps to meet the challenges it faces, which is precisely the object of the bills mentioned in the motion. For example, let us take Bill C–91. The sole purpose of this bill is to give more flexibility to the Business Development Bank of Canada, formerly known as the Federal Business Development Bank.

The changes proposed to the bank's mandate will not usurp provincial powers, far from it.

• (1045)

The primary purpose of these changes is to improve services to the bank's clients, small and mid size businesses, so that they are better equipped to develop and create jobs.

The official opposition is wrong if it considers this bill as a trick that the federal government is using to invade provincial jurisdictions. The Canadian government uses no tricks, others can do that. And the polls show how little success they are having.

The motion also mentions Bill C–88, an act to implement the Agreement on Internal Trade, which was concluded, in July 1994, by the Prime Minister and provincial first ministers. That agreement is an example of how efficient Canadian federalism is. It will promote interprovincial trade liberalization, as well as economic growth and job creation.

Those who support separatism are constantly telling us that they are free traders and that they support access to new markets, as well as the free movement of goods, services and labour. Consequently, I do not understand their objections when the federal and provincial governments agree to liberalize internal trade. Come to think of it, I do understand their reaction very well: the official opposition has no interest in admitting that Canadian federalism works well. This is why it opposes this legislation so strongly.

People are not stupid. It is obvious that the Bloc Quebecois is firmly opposed to a Canada–wide economic association. Quebecers will know what to expect when the details of the offers are made public. Clearly, the official opposition's campaign to promote economic association is nothing but another ploy or mirage to try to fool Quebecers.

The official opposition also denounces Bill C–46. This is rather surprising since, on September 26, at second reading, the hon. member for Trois–Rivières had this to say about that legislation: "Bill C–46 is aimed at maintaining the status quo, making the minor amendments that are needed, but not substantial". Yet, today, the official opposition is launching an all–out attack against this bill. True, this is not the first time that the Bloc has changed its mind.

Bill C–46 seeks to establish the new federal Department of Industry. It merges four departments into a single one which will be better equipped to implement three priorities. Let me read you the three priorities of the new department.

The first one is to create better conditions to do business. This means doing everything possible to allow businesses and workers to concentrate on job creation.

The second priority is to stimulate trade. This means using new ways, inspired by Team Canada, to take advantage of foreign market opportunities, and to help Canadian businesses access these markets.

The third priority is to create an efficient infrastructure. This means ensuring that Canada has transport, telecommunications and information networks which will enable businesses to be efficient in a modern economy.

You will agree, Madam Speaker, that these priorities meet the true concerns of Canadians, including Quebecers. However, the official opposition is not pleased with these priorities. The Bloc Quebecois tries to block every initiative designed to help boost the economy and create jobs. Such an attitude is unacceptable, considering that so many Quebecers are out of work.

• (1050)

Official opposition members keep saying they are here to defend the best interests of Quebecers. These interests require that the opposition play a constructive role and support the federal government in its efforts to boost the economy and enhance job creation. Quebecers understand, increasingly, that the interests the official opposition is defending are not theirs. Finally, the official opposition is also opposed to Bill C–76.

In this regard, one need hardly be surprised that the advocates of separation are opposed to last February's federal budget. Our budget shows that Canadian federalism works and, what is more, is working well. This budget mentioned only two conditions to be met: compliance with the five principles of the health care insurance plan, and prohibition of the residence requirement as a criterion for eligibility to social assistance. Seventy–seven per cent of Quebecers believe the principles underlying the Canada Health Act are very important. In every other social program, provinces will agree by mutual consent on shared principles and goals.

Unless the definition has been changed, "mutual consent" does not mean imposition of national standards; "mutual consent" means just that, that is that the parties involved will have to give their consent. This shows once again that the federal government wants to give the provinces a wider flexibility.

This is about flexibility, decentralization and co–operation; not about centralization as advocates of separation are fond of suggesting.

What deserves condemnation is not the pieces of legislation mentioned in the motion, but the official opposition's attitude. Earlier, we heard them, they are already talking about voting yes. The referendum campaign has not even been launched yet. The Parti Quebecois did not even have the courage to hold a referendum in its first eight months in office.

Obsessed as it is with the referendum question, the official opposition alters facts, indulges in grandstanding and tries to depict to Quebecers a Canada that does not exist. I know Quebecers. I know they expect their governments to put their financial houses in order, to boost the economy, and do their utmost to enhance job creation. Since the election, that is what our government has been trying to do.

The budget that was tabled in February reduced federal spending by 7.3 per cent, a first in our history.

It was a difficult decision, and we did not make it with a light heart. But we had to do it, for the sake of the future of young Canadians.

We know jobs are important for all Canadians. That is why we launched the infrastructure program, which created nearly 20,000 jobs in Quebec alone.

Trade missions under the leadership of the Prime Minister in Asia and Latin America have resulted in contracts adding up to almost $10 billion. We know that Quebecers and all Canadians want to feel safe in their cities and towns. The gun control bill will contribute to making communities safer.

That is what we mean when we talk about good government, and that is what Canadians want. That is what Quebecers want, too.

I repeat that what should be condemned is not the bills mentioned in the motion, but the motion itself.

• (1055)

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Madam Speaker, I was very surprised to hear the hon. secretary of state for Parliamentary Affairs say, especially at the beginning of his speech, that when the Bloc members go visit the people in their ridings, they are not performing their duties as members of Parliament. I want him to tell me that I was not carrying out my duties as a member of Parliament when I met some fifteen senior citizens of Trois–Rivières to talk about the upcoming old age pension reform and listened to their concerns that the federal government would cut their old age pension as it did with the unemployment insurance benefits.

I think we are acting very properly when we get together with our constituents. This does not stop us from taking the opportunity to talk about the real solutions to these problems that would give the province of Quebec more control over its own development.

When we meet with people who complain about the unemployment situation and tell us that 40 per cent of all new welfare recipients end up on the welfare roll because of the new restrictions put on UI benefits by this new government, which is more Conservative than Liberal, are we not performing our duties as members of Parliament?

When the federal government decides to cut all research and development in sheep production, a promising new industry which is quickly expanding in Quebec and in Canada, and we are asked by the people: "Who took that decision, what is going on in Ottawa? What is wrong with them? Do they have their heads in the clouds? They are cutting R and D", are we not performing our duties as members of Parliament? I think the member for Saint–Léonard should reconsider his position on this issue.

On the other hand, given the centralization efforts of the current government, Quebecers will obviously have a very clear choice to make. This is the most positive aspect of the federal efforts. Everything is quite clear. When they talk about national standards and their willingness to interfere in the day care sector and impose national standards so that Alberta and Quebec are both treated the same way, we realize that their initiative does not make any sense and is doomed from the start.

It does not make sense for the federal government, which has no authority in education, to create a human resources investment fund and, by a devious device, intervene in the area of education instead of reducing unemployment insurance premiums, because less money is needed to finance the unemployment insurance fund, and giving the difference back to the people who do finance the fund. The unemployment insurance scheme is not there as an excuse to create an education department. It is there to provide benefits to workers between jobs. Is this not an intrusion of the federal government where it has no business?

There is also the agreement on internal trade. Let us talk about it. This agreement was signed by all provinces and the federal government. It is designed to ensure that internal trade is at least the equivalent of what we have with NAFTA in external trade. But the federal government tables a bill with the insidious provision that it will be able to rap the provinces on the knuckles if it does not like a decision, if a province does not measure up. It is acting as both judge and jury.

Is that not the return of the steamroller style we first saw in the Trudeau years? Is not the present Liberal government acting as the servant of federal bureaucracy, which is systematically denounced by Canadians as a whole? Everybody in Canada, sovereignists as well as federalists, is fed up with the fact that the federal bureaucratic machine dictates how things should be done, and what Canadians and Quebecers should think. This is why the official opposition is perfectly justified in rising up against it.

When we know that there are 800,000 welfare recipients in Quebec and 1,200,000 in Ontario, it means that it is not only the fault of the government of Quebec, which has been in power for less than a year. When we see that there are 800,000 welfare recipients in Quebec and 1,200,000 in Ontario, does that show that the Canadian system is working? Are the interventions of the federal government producing good results? I believe the member has to recite an act of contrition and reconsider his position.

As I was saying at the beginning of my speech, my question will be on this subject.

• (1100)

In that case, what choice remains to Quebecers but to side with those who want change, those who really want Quebec to be the master of its development? We are talking about the Bloc Quebecois, the Parti Quebecois, and possibly the Action démocratique du Québec party, all of whom want Quebec to be in charge of its own development.

Should not the member for Saint–Léonard try to convince his government to reconsider its positions and to backtrack on this decentralization project which will only lead to more results like Canada's present debt, an absolutely negative result of the Canadian federal system?

Mr. Gagliano: Madam Speaker, I would like to tell the hon. member that I agree with him on one point only. I agree with him when he says that he represents change. The members opposite have changed their minds back and forth so many times that even the Premier of Quebec, their ally, said that he was getting a stiff neck. They are trying to get out of this situation but they cannot because they are already in too deep.

All the polls show that Quebecers want to stay within Canada. But the separatists—and they refuse to be called by their true name—want people to believe that after they separate from the rest of Canada, they will have a political and economic association and that things will not be much different than they are now.

The member could at least stay put and listen to what I have to say. The choice is his, but if he does not stay, it means that he does not care to hear the answers to his own questions.

If separation really is the way to go, if it would solve all of Quebec's economic and social problems as the member was saying, why then do they have to have this change of direction after months of reflection and say that they will have a political and economic association? Because they need a winning question.

They have to play with words, to get around the problem to try and confuse people with their separatist option. There are not four or five questions, there is only one: Do Quebecers want to separate from the rest of Canada, yes or no? A bit earlier, the member for Richmond—Wolfe who asked his fellow Quebecers to vote yes. Why should they do so? For more pie in the sky? Another stiff neck? That is the question.

Today, for example, the opposition is telling us that we want to impose national standards. The budget was very clear on that. It said that there had to be mutual consent. The bill was clear. Furthermore, to make sure that it was really clear, that it said what the Minister of Finance and the government meant, we proposed amendments to specify that there would be agreements and mutual consent. Mutual consent means that the two parties agree. This is what we will aim for in our negotiations with the provinces.

If, instead of always complaining that Canada does not work, those who are in favour of separation were ready to co–operate with the other provinces and the federal government, we could solve many problems. For example, last year, in July, a free trade agreement was signed. The separatists want free trade with the United States and Mexico, but they are against free trade within Canada.

We introduced a bill to implement the free trade agreement signed by the Prime Minister and all the provinces but again, they oppose it. They say that the federal government wants to overstep its jurisdiction. Again, we took precautions, we checked the legislation.

The other day, in this House, we announced that there would be clarifications. The federal government does not for one moment intend to usurp the provinces' powers. What do we want? We only want to make the Canadian federation work.

• (1105)

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. secretary of state, but his time is up. I take the opportunity to remind you all that we should never mention the absence of an hon. member from his seat.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, I appreciate the opportunity to say a few words in this debate as once again the citizens of Canada are treated to this family squabble.

It is difficult from time to time as a member of the Reform Party to be in agreement with the members of the Liberal Party but there are some things which do tend to draw us together.

Something about today's debate and today's motion by the Bloc is embarrassing to me as a member of the House and as a Canadian. If I were a resident of Quebec, whether I were a separatist or not I would be embarrassed about it. If I were a separatist I would be doubly embarrassed by this motion and by the attitude of the Bloc in the House and what it has been doing in recent months.

It is my opinion that Bloc members over the last few months are becoming less and less a force in Parliament. They seem to have marginalized themselves. When the House started they came and by and large the media were their lapdogs. The media loved the Bloc. It created clash and conflict all the time and it had a free ride from the media outside of Quebec. I do not know about the Quebec media but the English media looked at Bloc members and thought they were people who really had it together.

Quite a number of Bloc members are competent and capable. Unfortunately when they get together some group dynamic takes over. It must be something they drink which causes them all of a sudden to become introspective, afraid, frightened, isolationist; everything they would not want to be, they become.

Here we are debating a motion, the essence of which is to put a wall up around Quebec with a one way check valve in the wall: send money in but do not let anything else out and then they can take care of themselves. How can a group of people presume they will take their province into separation and they can stand on their own as a separate nation, when every time they open their mouths they are afraid to stand alone as a separate province? It does not make any sense. There is a huge contradiction.

There is a difference between constructive opposition and obstructionism. It is single minded. I cannot find a word for it right now but I am sure one will spring to mind to describe the incessant day in, day out attitude of the Bloc. Tribalism would be the word. The attitude in committee and the attitude in the House is not what can they do to make their province better, thereby making the country as a whole better; the attitude is consistently what is in it for them and how can they benefit to make sure they do not get screwed by the rest of Canadians who get up every morning and have one overriding thought which is how can they stick it to Quebec.

Nothing could be further from the truth. Canadians from coast to coast have treated Quebec with kid gloves for at least all of my adult life. My adult life has been spent asking: How do we make Quebec feel at home in Canada? What can we do to make Quebec and the people who live in Quebec happy as Canadians? For the last 30 years or so we have tried to buy their affection and has that worked? I think not.

• (1110)

Let me give an illustration. For those who may have just tuned in today is an opposition day, a supply motion. This means the opposition gets to determine what we are to debate in the House today.

Keep in mind that 52 Canadians are being held hostage, including Quebecers, in Bosnia. Bear in mind our country is into the hole $120 million a day. What do we do? We debate this motion:

> That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial jurisdictions and construct an entirely centralized state, as can be seen from Bills C–76, C–88, C–46 and C–91.

The opposition presumes all these bills are designed to take substantial powers away from Quebec and transfer them to the federal government. What about the rest of the country, the rest of the provinces? There is nothing in any of these that say these bills are specific to Quebec. This is legislation the government brings down for the country. We may not like it but it has a majority and we have to deal with that.

As the loyal opposition and the third party we have to do what we can to make it better legislation and where possible derail legislation which is in our opinion not worthy of support. It is not my role as a member representing an Alberta constituency to get up every morning, come to the House and ask how I can look after Alberta.

I am a federal member of Parliament representing a federal constituency in Alberta. My primary responsibility is our country, not just Edmonton Southwest. I have to be concerned about every Canadian, not just Albertans, not just people who live in Edmonton. If I am not prepared to do that, why am I sitting here?

The Reform Party's bias is to radically decentralize Canada and we share with our colleagues from the Bloc the notion that it is imperative to reduce the overlap we acknowledge exists in many areas in the country. Why do we need a federal environment department, a provincial environment department and a municipal environment department?

Every time we turn around there is overlap. We have more public servants per capita, per square inch than most countries. We share that with our friends from the Bloc. We need to decentralize. We share with our colleagues from the Bloc ideas about decentralizing authority and responsibility to make authority and responsibility to devolve that closest to the people who are being served.

We would like to see a radically changed federal government, much smaller, much less intrusive in the lives of Canadians, with provinces having far more responsibility as would be necessary to make our country work better. That does not mean

the federal government does not have a role in national affairs. If we are to be a country we need certain uniform things from coast to coast.

All of these bills whether we like it or not speak to those ideas. Bill C–76 is the budget implementation act. What the Bloc was complaining, whining, moaning and dripping about in the budget implementation act is that it has a clause whereby transfers to the provinces will be block transfers.

This means that instead of transferring specific moneys to education, health and other areas along with the Canada assistance plan, these moneys will be transferred in block, allowing the provinces to do with that money as they will. That makes sense to me. That sounds like decentralization to me. How is it that the Bloc can possibly construe that to be some sort of centralizing plan? What the Bloc did not say is there is a possibility the people of Quebec will have to be a little more careful in how they spend their money because they will get less money.

Our country is into the hole $120 million a day. Every single Canadian will be in debt. Our deficit per individual Canadian is $1,375 just for this year. Our total per person debt in Canada is $19,000. For a family of four it is $76,000. That is our federal debt. Forget the provincial debt, of which Quebec has a ton, that is just our federal debt. There is going to be less money to transfer to the provinces and I think the Bloc is a little upset over that.

• (1115)

Let me give an illustration of some of the inequities that exist in our country. Under the Canada assistance plan, if someone happens to be on welfare, collecting benefits from the province, and lives in Ontario, Alberta or British Columbia, the federal government kicks in 29 cents of every dollar that is paid out. However, if that person lives in Quebec or one of the other provinces considered to be a have not province, the federal government kicks in 50 cents of every dollar.

Because it is in a block transfer, if Quebec is going to continue to pay benefits the way it has been, then it is going to have to take that money from somewhere else. Why on earth should Alberta residents pay taxes via equalization payments that go to Quebec so that seniors in Quebec do not have to pay for prescription drugs? Those who live in Alberta have to pay for prescription drugs. Quebec is considered a have not province and we subsidize it. Over the last 30 years or so Quebec has benefited to the tune of $100 billion from equalization payments. Why is it that the rest of the country should put up with that?

I want to make it clear that as a person, I kind of like the hon. member for Richmond—Wolfe who led this debate. But I sure get fed up with him every time he starts to pontificate in the House about how hard done by the people in Quebec are. I thought his comments this morning were pathetic. I wondered how, representing isolationism thoughts like that, Quebecers could possibly have any confidence in that group to run their affairs in an independent Quebec. They would spend the first 20 years of independence building a wall around Quebec.

We know that Quebec benefits tremendously from interprovincial trade which is what Bill C–88 is all about, which they do not like. Bill C–88 was a bill to reduce the interprovincial trade barriers within Canada. The Reform Party objected to the bill because it did not go far enough. We felt the government should have used its powers to force the provinces to bring down the trade barriers. It is in our common best interests to develop a critical mass that will allow us to be competitive on a worldwide basis.

People will recall that when we entered into free trade with the United States we got whipped in those first few years. Why did we get whipped? Because we had a high dollar, high interest rates and we had these interprovincial trade barriers all across the country so that our industries that were protected were not capable of competing in the world markets.

We would have to be brain dead, and I think we were, to enter into an agreement to have free trade with the strongest trading nation in the world without having free trade within Canada to start with. How could we be so stupid—I hate to say not to put bullets in our gun because with Bill C–68 we are not going to have any—as to go hunting and have our guns loaded with blanks?

• (1120)

We have a high dollar, high interest rates and we have these interprovincial trade barriers. The federal government is carrying out its rightful duty and responsibility by saying to the provinces that we are going to get rid of these interprovincial trade barriers so we can compete.

I have notes somewhere on just how important trade is to the Canadians of Quebec, to the people of Quebec whether they are independent or not. Let me make it clear. The last thing in the world I want is the people of Quebec to be independent. If by some quirk of fate they are dumb enough to follow the Bloc and go down that road, this is what they had better keep in mind.

Quebec exported more to Nova Scotia and New Brunswick in 1989 than to any country in Europe, including France. It sold as much to Ontario as it did to the United States. The rest of Canada exported more to Quebec than to the European Union and Japan combined.

In Quebec 470,000 jobs were directly and indirectly attributable to interprovincial exports in 1989. Quebec was the only province other than Ontario that registered a surplus in interprovincial trade. Let me repeat that Quebec was the only province other than Ontario to register a surplus in interprovincial trade.

Quebec had a deficit of interprovincial trade with Ontario of about $3 billion but it had an overall surplus of, I think, about $1.3 billion because it traded with other provinces. And members of the Bloc representing the people of Quebec say: "We want to put up barriers; we do not want free trade within our own country". Well, I can say that an independent Quebec will be on its knees at the door of Canada asking please could it have free trade because it must have it. How is it that the Bloc members can stand here today and say they do not want it?

Bill C–91 concerns the Federal Business Development Bank. We have some serious reservations about continuing the Federal Business Development Bank. Our perspective is we do not think the federal government has any business setting up a crown corporation to compete with private business. That is the essence of what will happen. We are going to have a renewed Federal Business Development Bank which will be competing with the existing banks in Canada. I do not think we should do it. We should force private enterprise to do what it must.

Bloc members have a perspective that is different from ours and I think they are far more dependent upon government for everything in life. I think it is fair to characterize members of the Bloc as living in a kind of socialist dream world. They would love to see societal responsibility for everything and personal responsibility for very little, but that is fair. It is a difference of opinion.

We have a difference of opinion over this. We are saying we should not have a renewed bank because we do not want to compete with the private sector. The Bloc perspective is that somehow a renewed bank is going to compete with existing agencies in Quebec.

Why does the Bloc not ask how to go about melding existing agencies in Quebec? It is not as though the people who work for the Federal Business Development Bank came from Mars. Those people came from Quebec. The president of the FBDB, Francois Beaudoin, is in Montreal. So combine FEDNOR and reduce the overlap and the costs of providing these services to Canadians. Do not just stand in the road saying that this or that cannot be done. Be constructive.

The final one was Bill C–46, the reorganization of the Department of Industry. What can I say? That is basically a housekeeping bill. We objected to it because our role is to oppose, but it is going to be done.

• (1125)

I think this illustrates the fact that the House will work if we work together constructively. I would ask members of the Bloc to please bear that in mind in future debate.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, I have listened to the member's analysis of my colleague's remarks. I must tell you that it is difficult to know what he thinks. First, he criticized everything that the Bloc has said or done since its arrival in the House of Commons. Then he told us he agreed with everything we are doing. Where does he really stand? It is certainly not evident; it is difficult to follow him.

The bulk of his speech was about decentralization, something he shares our views on. For years now, we in Quebec have been asking, without success, for decentralization of powers to the provinces in order to meet the challenge of eventual globalization of markets.

The debt was mentioned. It is centralization that has brought us this $500 billion debt, which may well wipe out all the social programs and be passed on to future generations. In particular, he spoke about the advantages to Quebec of east–west trade. But he neglected to mention that we have spent millions over the last 127 years to develop this trade. This might allow an independent Quebec to look in the direction of other large markets of interest to us, north–south markets.

He also spoke about the problems we are experiencing that we have been unable to resolve within the existing system. I would like to mention a few to him. If we are speaking about structural problems, there are fundamental problems to which solutions have never been found under the constitution. First, the interference of the federal government in provincial areas of responsibility; second, the distinct society; third, the autonomy of the First Nations; fourth the absence of affinity between eastern and western Canadians, the well–know alienation of the west, which has always viewed itself as the frontier; the federal government's right to fund megaprojects without the agreement of the provinces, which has resulted in a debt of $500 billion and the unemployment we are now experiencing; economic recovery and job creation; and finally, the challenge of tomorrow, which is the globalization of markets.

Yet, if I take the period between 1968 and 1993, there were two great leaders, with two different approaches—Trudeau from 1968 to 1984, and Mulroney from 1984 to 1993. One was pushing a dominant central government, one strong nation while the other—in all fairness, Mr. Mulroney cannot be faulted for trying—proposed decentralization simply in an effort to get this great country going again.

We all know the results: the Meech Lake fiasco and the failure of the Charlottetown accord, despite the fact that English Canada spent $13 million promoting this accord compared to the

some $800,000 spent on the Yes campaign. Furthermore, in the election following these events, the Conservative Party was wiped off the map.

• (1130)

There is no denying that something is happening. We are heading straight for a black hole, and we have proof that strong federalism is steering us towards it, while decentralization—well, everybody is in favour of it but no one wants to make the first move. And that is simply what Quebec wants to do. Quebec wants to take its matters into its own hands and simply show the rest of Canada that it is time to make a move, because we are on the brink of falling into the black hole.

My question for the hon. member is about the globalization of markets. Be it in the industrial sector or the public sector, it has been proven that the only survivors will be small units capable of charting their own course, reorganizing their operations and meeting market demand. Does he think that the road to success is through decentralization, which has yet to have been seen here, or through following the status quo?

[*English*]

Mr. McClelland: Madam Speaker, in response to some of the questions put forward by my hon. colleague I want to make it clear that I do not agree with everything the Bloc is doing. As a matter of fact, I do not agree with a lot of what the Bloc is doing. But I do agree wholeheartedly with one of the things the Bloc stands for, and that is the notion of a radically decentralized Canada.

It drives me crazy that while I would be looking at it from the perspective that it would be better for Canada, when the Bloc members speak they say it would be better for Quebec. They are here representing the federal Parliament. I know it is a contradiction, since they represent the Bloc. However, their role as the official opposition is to make Canada work better. As long as they are here, quite willing to collect their pensions from Canada, they should start thinking in terms of what is right for Canada. If they want to leave, leave. But they should be leaving a stronger Canada, not a weaker one because of their actions in the House.

As far as transferring responsibility to the provinces, the Bloc has made a good point; it is quite right. The federal government has cut the amount of money being transferred via block transfers while at the same time not allowing the provinces to raise additional money to pay for standards the federal government is maintaining. The federal government cannot on one hand say that it is going to transfer responsibility to the provinces and then say the provinces have to run things exactly as the federal government tells them. There must be more latitude. We concur with the Bloc in that constructive sentiment.

The other major point my colleague from the Bloc mentioned was that Canada is set up on a trading basis of east and west, while the natural trade routes are north and south. He is absolutely right. It has cost people in western Canada an absolute fortune over the years.

Why is it that in Montana you could buy a piece of farm equipment manufactured in Toronto for less than you could buy the same piece of equipment in Alberta? Because of these tariff barriers. Why is it that for years all Canadians were paying twice as much for textiles as we should have in order to protect the textile industry in Quebec, thus allowing it to become non–competitive on a world basis?

The member is right. We have had these trade barriers, which have created an artificial economy east–west when the natural one is north–south. Imagine how much stronger they would be in the maritimes if they were dealing north–south with Boston and the New England states.

The member talked about looking at new markets. What on earth prevents the people of Quebec from getting new markets to the south today? Is there anybody saying to people in Quebec that they cannot trade with the United States? Of course not. We are trying as hard as we can as a nation—and the people in Quebec—to export.

• (1135)

Quebec has been extremely efficient in managing exports to the United States. I am not quite sure, but I think that over recent years Quebec has had something like a 3 per cent increase in its exports to the United States, more than the Canadian average. There is nothing to prevent Quebec from exporting as much as it wants south right now. It does not have to throw the baby out with the bath water.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières, BQ): Madam Speaker, it is a pleasure to take part in the debate on this opposition day, a debate that concerns the following motion:

> That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial jurisdictions and construct an entirely centralized state, as can be seen from Bills C–76, C–88, C–46 and C–91, all designed to take substantial powers away from Quebec and transfer them to the federal government.

I also welcome this opportunity to take part in this debate because as the industry critic, I was involved in the drafting of this motion. In fact, we have four bills, three introduced directly by the Minister of Industry, that have certain implications which are very disturbing, both for Quebec and the other provinces. I hope that my colleagues, especially those in the Reform Party, will realize that what is happening here in Ottawa not only violates the legitimate aspirations of the people of Quebec but

also the legitimate aspirations of Canadian provinces that support decentralized government.

What makes this so disturbing is that this government acts so discreetly it is almost self–effacing. No fuss, no boasting, but meanwhile, it is carefully and almost secretly centralizing the powers of the Canadian federation here in Ottawa as no other government has done before in this country's history.

I will try to explain this process, starting with Bill C–46, which comes first both numerically and chronologically and which last fall, took a number of departments, including Communications, Consumer and Corporate Affairs, and amalgamated these to establish the Department of Industry, as it is known today. So far, so good, except that the Federal Office of Regional Development (Quebec) was maintained. When I say maintained, we should realize that for some time there were rumours that the office would be dropped.

In view of the deplorable and indeed disastrous state of Canada's public finances, the federal government, as you know, had to take a long, hard look at the situation and, in the process, it seems the very existence of the Federal Office of Regional Development (Quebec) was called into question because it could no longer provide financial assistance for small businesses. At the time, it had found its niche helping high tech companies but, because of budgetary cutbacks, all this had to be shelved so that the continued existence of FORD was in doubt. However, instead of getting rid of FORD, the government maintained this empty shell, which has now become a kind of conveyor belt, a Trojan horse, the federal government's favourite mechanism for getting involved in regional development in Quebec.

• (1140)

The mission of FORD is being changed. It will serve as a consultant to small and mid size high tech businesses, primarily in the area of exports. This is all very well, except it is already the case in Quebec. And the networking—and since you were at the Standing Committee on Industry recently, you know what I am talking about—that FORD can do as part of its activities, the Quebec Department of Industry and Commerce is already doing it. We have already dealt with this concern on the part of high tech business and high tech exporting businesses. This ground has already been covered. Instead of abolishing the Federal Office of Regional Development, it is being kept alive by further duplicating mechanisms that already exist in Quebec in the area of regional development.

Except that it is becoming the preferred vehicle, making agreements, as we will see, with the Federal Business Development Bank. This will enable the federal government to slip in and meddle even more blithely than before in the operations and the management of regional development. It will do so while ignoring the presence of the Quebec government and the regional development apparatus it already has and the equality of the Quebec government in the relationship. The federal government must remember that if it is going to intervene as a government, it must be to provide support and not to compete with the provinces. This is what we see in Bill C–46 with FORD remaining as we know it today in terms of SMB adviser–resource persons.

I move on now to Bill C–76. Briefly, because the main theme must always be taken into account, what is new about Bill C–76, which is the bill to implement the budget the Minister of Finance tabled a while back, is that it establishes a completely new concept, that of the Canada social transfer, which is the budget for social and welfare programs. A new concept is therefore in use, doubtless to assist in the advancement of the science known as the Canada social transfer.

According to Bill C–76 implementing the budget, the federal government will, over the next three years, reduce by $7 billion the public funds it gives to the provinces, which means a $2.5 billion cut for the Quebec government.

Not only are the cuts in question huge, the federal government, instead of being apologetic about it and paving the way for a true decentralization of powers following its financial withdrawal, is interfering more and more in the management of health, welfare and social programs and more recently, in post–secondary education. Also it announced that it will set national standards to which provinces will have to conform to avoid being further penalized.

It is a new way of interfering into areas of provincial jurisdiction. Section 93 of the Canadian constitution provides for a distribution of powers and areas of jurisdiction. The areas just mentioned—health, post–secondary education, social programs and welfare—are all within provincial jurisdiction. These areas, which affect Quebecers every day, are crucial to Quebec's distinct society in the Canadian federation. They are existential.

• (1145)

The federal government has no right to set national standards for Quebec. Furthermore, under clause 37 of Bill C–76, the federal government demands that its financial assistance be visible, which means that, from now on, the forms used by citizens must reflect the fact that the federal government contributed to such and such a program.

Not only is it withdrawing, not only is it cutting, not only is it setting standards, but now it boasts about it and demands to be praised by the provinces so that citizens realize that the federal government doles out presents. This is the underlying philosophy: to show that it is giving presents to the provinces, as if it were not with the taxes paid by Canadians and Quebecers, and this is the normal state of affairs. As unconstitutional as these measures may be, it is normal for the Canadian government to be

redistributing money. Still, one should keep in mind that these measures are indeed unconstitutional.

The position of the official opposition is clear in this regard: it demands that the federal government withdraw from provincial areas of jurisdiction without any ifs, ands or buts. In other words, within the Canadian confederation, the official opposition demands that the constitution be abided by, and that the withdrawal of the federal government from social programs, health care, and education be offset by the transfer of tax points so that taxpayers do not end up paying more. It would balance out. The federal government would lose one or two per cent in taxes to the current province of Quebec, and thus the tax burden of citizens would not get heavier.

Therefore, we see that, with this second piece of legislation, Bill C–76, aimed at implementing the budget, the federal government keeps on attacking, and even intensifies its attacks against the provinces, especially Quebec, by setting national standards in the areas of health care, post–secondary education, social programs and welfare.

I now come to Bill C–88. Bill C–88 deals with internal trade in Canada. It is a matter which was the subject of an interprovincial agreement signed last year, on July 1st, by the provinces, the federal government, the Yukon and the Northwest Territories, and which is to come into force on July 1st, 1995. There is, in this agreement, a certain legal vagueness due to the wording of article 1710—which is at the heart of the agreement and could become the stumbling block—providing for mechanisms to settle possible disputes between two provinces, or between the federal government and one of the signatories; the least that can be said about these mechanisms is that they are somewhat lacking in clarity.

The reason is that the signatories agreed that any dispute settlement mechanism would be based on the good faith of the parties and would not, in any case, be of a legal nature. There was, on April 10 of this year, less than two months ago, a federal–provincial conference of provincial, territorial and federal ministers, in Calgary, where, we are told, nothing was said about the fact that there were new texts and new ways of doing things in the areas of dispute settlement mechanisms.

Yet, two or three weeks ago, the federal government came up, without any warning, without debate, with Bill C–88 where, in clause 9, it imposes or rather assumes powers it never mentioned to the parties and for which it was not mandated by said parties.

• (1150)

I will read clause 9, which will create quite a conflict because the federal government really assumes powers although, in the spirit of the agreement, it is solely one partner, equal to the other signatories. This question is extremely important and was called by the Premier of Quebec a "trade war measure". He did not mince his words. Given the credibility of the Premier of Quebec in this area, we can see the importance of what I talking about.

Clause 9, which is the main element of Bill C–88, reads as follows:

> For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following:
>
> (a) suspend rights or privileges granted by the Government of Canada to the province under the Agreement or any federal law;
>
> (b) modify or suspend the application of any federal law with respect to the province;
>
> (c) extend the application of any federal law to the province; and
>
> (d) take any other measure—and this is important—that the Governor in Council considers necessary—what it means is to bring the province in step.

In subclause 9(2), they even make the following precision, and I quote: "In this section, federal law" means the whole or any portion of any Act of Parliament or any regulation order or other instrument issued, made or established in the exercise of a power conferred by or under an Act of Parliament".

Before the parties gave any kind of authorization, before any discussion or joint action, without any mandate, the Government of Canada, a legitimately elected government, unilaterally, arbitrarily and arrogantly decided to add a provision whereby it granted itself the authority to set any stubborn province right.

Just think what that could mean in the case of Quebec. Personally, that is one thing I hope Quebecers will seriously think about during the upcoming great consultation. This is the type of Canada we will have in the future where there will be only one real government, Madam Speaker, and it will be this government, arrogant, arbitrary, cut off from the people and ignorant of regional interests; the so–called provincial governments will become mere regional governments. Imagine what irreparable damage will be done to Quebec where we firmly believe to be, where we claim to be a distinct society within Canada with different habits, thinking patterns and background.

That clause, as others is typical of this government's way of doing things, in Ottawa, capital of Canada, a country soon to be centralized, unitarian, accepting no debate or consultation and no social debate, a debate which the Canadian population should demand, especially westerners. Without any social debate as we have in Quebec, a clause like this one could have serious consequences. The intent of that clause would certainly have a catastrophic impact on Quebec.

I am coming now to Bill C–91 which deals with the Federal Business Development Bank that will soon become the Business Development Bank of Canada. There again there was no consultation and no joint action. This showed a certain disregard for the industry committee of which I am vice–chair and which never made such recommendations, on the contrary. If there were a recommendation from the parliamentary secretary, it was basically to reduce the importance of the bank, to make it the bank of Canadian small businesses. It was to scale it down. But now, we are going to the other extreme, Madam Speaker, with the Business Development Bank of Canada, to which the minister gives a new mandate; it will no longer be a last resort for small business but rather intervene in programs supporting Canadian entrepreneurship.

• (1155)

Those words, which are neither defined nor specified in the legislation, will allow the federal bank, pursuant to clause 21, to intervene not only in federal organizations, but also in provincial ones and in regional organizations created by the Quebec government. That is still basically a way of interfering in the daily lives of the people in this country, and of the people of Quebec, without any mandate to do so.

For those who do not believe what we are saying, I refer to the March 30 article in which two well–known Liberals talk about the future of Canada.

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Madam Speaker, I listened carefully to the speech of the hon. member for Trois–Rivières and I would like to ask him a question. Are liberals not trying to find solutions to the problems of Ontario regarding the financing of small business and to generalize the Ontario model by amending the Federal Business Development Bank Act?

I remember that, in the months following the election, Ontario Liberal members on the industry committee were somewhat angry and said that banks were not sensitive enough to the needs of small business, that the last recession had caused many bankruptcies and that ways had to be found to deal with the situation.

Quebec committee members were less concerned by the situation because Quebec had already developed its own tools like the Fonds de solidarité des travailleurs de la FTQ—the CSN will soon have a similar fund—and the Mouvement des Caisses Desjardins. There is also the use made of business support centre funds and regional development funds. We already had all those resources.

I feel that the amendments to the Federal Business Development Bank were proposed to please Ontario but they will not make funds more easily available to Quebec. We already have regional funds available. There are many coordination problems between the various funds. Is the change of vocation of the Federal Business Development Bank not going to make things more complicated and increase delays without necessarily having a positive effect on the access of Quebec small business to financing?

Mr. Rocheleau: Madam Speaker, I would like to thank my colleague, the hon. member for Kamouraska—Rivière–du–Loup, for his question. I commend his intuition. Indeed, when the Standing Committee on Industry started looking into the matter, the problem was centered on the issue of funding of small and medium size enterprises. Members of Parliament from Ontario made legitimate representations, considering the slump caused by the lack of credit, although this was never proven.

But things went differently afterwards, when the purpose of the Federal Business Development Bank was radically changed. Previously, the bank's primary purpose and almost only concern was assisting small and medium size enterprises, but that is now becoming somewhat secondary.

I will read the first lines of clause 4 which deals with that purpose:

"The purpose of the Bank is to support Canadian entrepreneurship—"

That is what subclause 4(1) says. Subclause 4(2) says:

"In carrying out its activities, the Bank must give particular consideration to the needs of small and medium sized–enterprises."

So, we see that what was previously a fundamental concern for small and medium size enterprises is becoming somewhat secondary. The bank will deal as it can with small and medium size enterprises having primarily established entrepreneurship development programs, as I was saying earlier, which do not qualify or have not been defined. Anything is possible with the private funds that the bank will have in the future.

I would like to give more information on the two distinguished Liberals that I was telling you about. They are the hon. senator Rivest and Mr. Forget. They said on an open line show on the CBC, which is as credible as these two gentlemen: "Mr. Rivest having revealed that the Minister of Intergovernmental Affairs and President of the Privy Council is preparing a major administrative and tax reform for Canada". This is Mr. Rivest speaking, a very good Liberal.

• (1200)

"Mr. Forget went on to say that he feared a no vote on the referendum—this is very important for Quebecers—would lead to a loss of control by the government of Quebec on subsequent events". That is, after the referendum. "This situation would create opportunities for initiatives, whether under the constitution or not, but which could, at any rate, considerably change the rules. It seems to me that, for now, the threat to Quebec lies

much more in this restructuring of the government—a vital issue—than in some constitutional matter".

I conclude with these comments, which confirm our apprehensions. Here, in this Parliament, as well as in the Langevin building, very important events are occurring, but they are not being publicized. A country is being built and changed without any debate. I think it is outrageous.

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Madam Speaker, I just heard the hon. member for Trois–Rivières speak about the Federal Office of Regional Development in Quebec. I would like to remind him that the Office's presence in Quebec was requested by the social and economic stakeholders in the regions.

In my riding, as in most ridings, people have asked for a regional economic development policy. A few days ago, we heard the Minister of Finance say in the House that he had written several times to his provincial counterparts inviting them to co–operate on matters related to regional economic development. He has received no answer to date. This is an important point that we must not forget during our debate.

A few weeks ago, a seminar was held in Chicoutimi on the future of Quebec and its regions. At the seminar, the Quebec government was asked to do something along the same lines as the federal government in the area of economic development. I think this is important. The federal government is a leader in the field of economic development in Quebec, and, through the Federal Office, it is responding to people's needs, as Quebec should do. It is very important that the federal government continue its efforts, but with the provinces' co–operation.

Finally, I have a question for the member for Trois–Rivières. In his riding, some forty economic development projects have been approved by FORD–Q. Would he deprive his constituents of the federal government's economic presence in his own riding?

Mr. Rocheleau: Madam Speaker, I thank the hon. member for Brome—Missisquoi for his very thoughtful question. Sure, we do not want to deprive our constituents of the moneys they have already paid to the government and that are redistributed in the normal way. When one claims to want to develop the economy, as the federal government is doing, it is perfectly normal that from time to time it takes tax moneys paid by Quebec taxpayers to redistribute them in Quebec.

There is nothing new here, there is no gift in there, contrary to what is hinted at in such a question, as if that money was paid out of generosity. However, I am not sure, and there lies the danger, that these 40 projects are being developed in harmony with the efforts being made at the same time by the Quebec government. That is not obvious at all. On the contrary, one is left with the impression that there is competition, duplication and overlapping of energies.

I would like to take the opportunity provided by my colleague's question to talk about the Federal Business Development Bank and the change in policy it is setting for itself or that is being imposed on it by the minister. We seriously wonder how, despite all its claims, the new Business Development Bank of Canada will be able to meet the need it met successfully up till now for very small businesses, because 52 per cent of the loans made by the FBDB were loans of $100,000 or less, which suited the needs of very small businesses. Given the new aspirations of the Business Development Bank of Canada, it is not that obvious that the needs that were met up till now will be met in the future. This is not very reassuring, and therefore leads us to question the validity of this new mandate.

• (1205)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I am pleased to participate in this debate. I will take this opportunity to set the record straight concerning the Canada health and social transfer.

Contrary to the propaganda spread by the Bloc Quebecois and reflected in the motion before the House, the Canada health and social transfer does not take powers away from Quebec and transfer them to the federal government. Instead, it gives more flexibility to provinces.

Thus, the new Canadian social transfer is a big step toward more mature federal–provincial fiscal relations.

In the last federal budget, the government acted on the request made by Canadians that deficits be reduced through structural changes.

That kind of change is essential if we are to secure Canada's economic well–being and protect our social programs. But the structural changes we need could not be made without a reform of the provincial transfer system.

Cash transfers amount today to more than 20 per cent of all federal program spending.

[*English*]

The government responded to the need for change with a new transfer system that is both more sustainable and more effective, the Canada health and social transfer. Currently the federal government transfers funds to the provinces for health and post–secondary education under established programs financing or EPF.

Funding for social assistance and social services is provided under the Canada assistance plan. Beginning in 1996–97, these transfers will be replaced by a single transfer as described in Bill C–76 which is before the House. The Canada health and social transfer is part of that bill.

Unlike the current system, which is based partly on cost sharing arrangements, the Canada health and social transfer will

be a block fund like EPF. This means that amounts transferred will no longer be determined by provincial spending decisions as under cost sharing.

The new system will be more fiscally sustainable. When the Canada health and social transfer is fully implemented in 1997–98, the total of all major transfers to provinces will be down by about $4.5 billion from what would have been transferred under the existing system.

This is significant action but to put it into perspective, the reduction will equal about 3 per cent aggregate provincial revenues. Furthermore, the Canada health and social transfer is not merely more sustainable but also more efficient. It will bring real benefits for both levels of government.

The Canada health and social transfer continues the evolution away from the requirement to obtain federal government approval in areas of provincial responsibility, which has been a source of entanglement and irritation in federal–provincial relations.

[*Translation*]

From the provinces' point of view, the new system will include fewer conditions on the use of transferred money.

From now on, there will be no more rules on the kinds of expenditures that can be cost–shared and those that cannot. Provinces will be completely free to use innovative means in the context of social security reform, and they will have more flexibility to set their own priorities.

[*English*]

Let me offer some concrete examples of what this greater flexibility could entail in practice. There would be no need for provinces to submit claims for federal approval and no need to draw up lists of provincial laws, welfare agencies and the like. This will bring significant administrative savings.

The move from CAP cost sharing to block funding will also mean that policies and programs could be designed to better integrate social, health, education and labour market programming.

• (1210)

Further, provinces can use simpler, less intrusive methods of establishing eligibility for income support and services such as an income test. In this way federal funds will assist a wider range of people with disabilities to live independently, based on a variety of personal and employment criteria.

[*Translation*]

A less stringent implementation of needs tests could also help provinces make income support and non monetary benefits more widely available to low wage earners or people who try to stop depending on welfare and to enter the labour market.

That way, federal money could be used to support the APPORT program in Quebec and other income supplement projects geared to low income families and workers.

[*English*]

By moving from the needs test, provinces could also provide integrated prevention programming to a broader cross section of children and families. For instance, federal funds could support community or school nutrition programs which are not currently eligible for CAP because they are not needs tested.

The flexibility I have just described—the flexibility to spend as effectively as possible—paves the way for better design and more affordable social programs for Canadians. Each province will be able to emphasize the programs and services that work best for its own unique circumstances.

It is important to emphasize this enhanced flexibility does not mean a free for all. The Canadian health and social transfer maintains an important federal role in social programs.

First, the federal government will continue to provide substantial funding to provinces in support of health and other social programs. Individual provinces will receive amounts ranging from about 20 per cent to about 40 per cent of their total revenues.

Further, the principles of the Canada Health Act will continue to be enforced. Canadians have made it very clear this is extremely important to them. Seventy–seven per cent of Quebecers believe these new principles are important to them also.

Also, there will be no change in the principle that provinces must provide social assistance without minimum residency requirements.

[*Translation*]

Furthermore, the Minister of Human Resources Development will be inviting all provincial governments to work together on developing, through mutuel consent, a set of shared principles and objectives that could underlie the new Canada health and social transfer.

The official opposition would like us to believe that this whole process is nothing but a plot to underhandedly impose new conditions, methods or penalties on the province of Quebec.

[*English*]

Frankly, that is absurd. Let me emphasize again the only standards contained in the legislation introduced in the Canada health and social transfer are the Canada Health Act provisions and the social assistance mobility condition. These are not new and they have not been changed. Compared to the status quo there are fewer legislative social assistance conditions in this

legislation, not more. The legislation provides no legal authority to introduce any new conditions, standards or penalties. Claims to the contrary are simply wrong.

The legislation does contain a statement of the federal government's intention to launch the consultative process I have described, a process seeking mutual consent on principles and objectives.

[*Translation*]

Nothing new was included in this statement of intention. On budget night, on February 27, 1995, the government stated clearly that it would be "inviting all provincial governments to work together on developing, through mutual consent, a set of shared principles and objectives that could underlie the new Canada social transfer".

This is the exact same commitment we included in Bill C–76, word for word. What does "mutual consent" mean? It means no government whatsoever in Canada can be forced to adhere to new principles and objectives against its will.

• (1215)

In other words, only the governments who subscribe freely to new objectives and common principles will have to abide by them. Nothing is clearer than that and those who claim that we are dispensing with mutual consent are being ridiculous.

There is another piece of nonsense from the Bloc members that I would like to challenge during this debate. Contrary to the devious spin being given by the opposition, the bill does not allow the federal government to introduce new standards through the back door. Quite the contrary. There is absolutely no clause in the bill that allows the federal government to introduce new criteria or new financial penalties with the Canada social transfer. Bill C–76 does not allow us to tack new conditions on the Canada social transfer arising from the consultative process carried out by the Minister of Human Resources Development.

Those who say otherwise have misunderstood the bill. They do not make a distinction between statutory conditions and statements of intent. The principles and objectives eventually reached through mutual agreement between governments would not necessarily lend themselves to inclusion in a legislative text. If, some day in the future, the consenting governments want to entrench an agreement in a federal statute, it would be necessary to submit a bill to this effect to the Canadian Parliament.

In conclusion, I would say that one of the main characteristics of the Canada Social Transfer for health care and social programs is that it is proof that Canadian federalism is capable of evolving. It opens the door to further progress toward a kind a federalism that is more mature, more responsive to the concerns of Canadians, who want more viable programs, and to the concerns of the provinces, who want more flexibility.

It proves our commitment to get the government back on the right track and to reduce duplication and overlap, which will result in administrative savings. And it clearly shows the federal government's firm commitment to co–operate with the provinces. That commitment involves a consultation process on the establishment of a permanent distribution formula for the Canada health and social transfer, as well as on a series of issues concerning fiscal federalism.

I am not at all surprised that the official opposition expresses its dissatisfaction about the characteristics of the new program. The Canada health and social transfer delivers a fatal blow to the separatists' arguments because it proves the vitality and the flexibility of the federal system.

But the great majority of Canadian men and women strongly support this evolution of Canadian fiscal arrangements, as do most members in this House. Therefore, I urge all members to support this motion.

Mr. Yves Rocheleau (Trois–Rivières, BQ): Madam Speaker, I found my Liberal colleague opposite quite eloquent, in his own way. He has aptly illustrated the ambiguity and the depth of the government's strategy, which is to hide its real motives.

• (1220)

This is non–transparency incarnate, since it is saying one thing and doing another. It claims that this beautiful and supposedly united country is in the process of decentralizing, while in reality, what is really happening, to use the term used by the opposition and several columnists, is that the federal government is offloading under the pretext of decentralizing. It is decentralizing the fight against the deficit by foisting unprecedented cuts on the provinces.

This is obvious in Quebec. There is nothing surprising about the unfortunate closure of a certain number of hospitals when one considers that the government of Quebec has had to deal with over one billion in cuts per year, cuts made almost on the quiet, without any opportunity for discussion. Fourteen billion dollars in cuts over 12 years and now the federal government wants to sell us a form of decentralization! And these cuts are paired with the introduction of national standards. Next, it will boast that it is helping to fund such and such programs. This is downright indecent. It should at least have the guts to call a spade a spade.

I would like to ask the hon. member to once again explain how his government can justify this way of operating. It would be so simple to just respect section 93 of this country's constitution, which says that social matters, including education, fall under provincial jurisdiction, and to just divvy up the appropriate tax

points to the provinces and stay out of other people's business, which would be the constitutional way of operating.

[*English*]

Mr. Walker: Madam Speaker, the opposition member confused about three or four very important issues in the same speech. Let us take them one at a time.

First, the federal government has given the provinces every opportunity to design their social programs as they wish. The only condition the federal government is putting in Bill C–76 is the condition that there is no residency requirement attached to social assistance.

We think that the provinces will respond very positively and will develop some very innovative programming. As I explained in my speech on some of the barriers under the Canada assistance plan, which has been sort of the cornerstone of the Canadian social assistance program and social policy for the last 30 years, the time has come to change it. We feel very confident that the provinces will do the right thing and develop some very innovative programming. One of the things I mentioned was the school lunch and breakfast programs, which are not facilitated under the present arrangements under the Canada assistance plan. There will be other opportunities.

[*Translation*]

One expression in the text is crucial to this debate, and that is "mutual consent".

[*English*]

We use those words very carefully and very purposely to indicate to the provinces that we are not about to impose new conditions on their social programs and that if a future government wishes to do so this would require entirely new legislation.

The Minister of Human Resources Development will be approaching the provinces, as is stated in the act. I want to say to the House that in my short history as a parliamentarian and my longer history as a student of Canadian politics, I cannot remember an act that mandates a minister to go out and consult. This was not just said in a speech in the House of Commons but is in fact part of the legislation.

I suspect this is being taken very seriously by the minister himself, as he has indicated in the House, and that by mutual consent there may be programs emerging and conditions or statements. However, this is up to the minister to discuss with the provinces. We have simply said that at this time the conditions that are stated are those that are in the act.

In terms of the responsibility the federal government has for closing hospitals, we cannot have it both ways. We cannot ask the federal government to sponsor and finance but to leave people alone and then second guess whether provinces are closing hospitals or cutting back on doctors or cutting back on nurses. These are very serious decisions, but they are the decisions of the provincial government.

• (1225)

I will use the example of Alberta, where everybody is up in arms about the government closing rural hospitals. They often forget that it was the same government that opened those hospitals in the first place. The province has the responsibility for its construction programs and for the infrastructure it puts into health care. If mistakes were made in the past, I do not think federal politicians should second guess them. Those things are in the provincial domain, the construction of hospitals and the delivery of health care.

I say this in the context that the cutbacks that will come into effect in two years represent 3 per cent of the total provincial revenues of Canada.

We in the finance committee listened to many groups intervening on the question of federal funding for social and health policy. We have been most conscious that the amount of funds will not be devastating to the poor of the country. We are confident that with the two years of warning, one year of no cuts and another year of half the cuts, most provinces will have the revenue capacity and the tax points and the space needed to generate the money to make sure the programs continue, particularly those west of Ontario that have a balanced budget. I believe seven out of ten are getting close to a balanced budget. However, they have to decide on their own which are the best ways to finance these programs and what the priorities are.

There is no province I can think of that would think of abandoning the poor as a priority. I am confident these issues will be taken care of.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières, BQ): Madam Speaker, I would like to ask my colleague, who is undoubtedly an honourable man, as a Canadian citizen elected by his constituents, whether, when he considers the demands of the people of Quebec as embodied by their government, he feels that these are the demands of a distinct society within the Canadian federation or that these are merely the vengeful demands of a province that refuses to conform, and above all, to be treated like the other provinces?

I would be interested to hear what the hon. member has to say about Quebec's historic claims as opposed to the other concept that includes all that, where our aim, at least within the framework of Canadian Confederation, is to be a distinct society in Canada.

[*English*]

Mr. Walker: Madam Speaker, in the Canada social health transfers and in the debate we are having, the words distinct society do not appear. I will put that case aside for another debate.

In the history of federal–provincial relations in the country there have been many arguments by many provinces against the federal government. Some of those have been conceptual fights over the federal–provincial authority and some have been fights over money. Depending on the nature of the Quebec government at various times it has pursued aggressively some of these objectives. In the same fashion, British Columbia took the federal government to court over cutbacks in the Canada assistance program.

The constitutional debate is always on the horizon in Canada, but it is not here today and is not central to the debate today. What is before the House is an opposition motion debunking the cornerstone of the government's approach to resolving the problems of the country.

We feel we have a very pragmatic and effective way of permitting provinces to develop their own social programs. There will be programming responses from Quebec, which I am sure will be entirely different from programming responses elsewhere in the country. This facilitates the development of programs that are very responsive to the Quebecois. People in other provinces may choose to do things differently. I see this in the context of a very wide ranging series of problems we are dealing with.

• (1230)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I welcome this opportunity to speak to the opposition motion before the House today, and I may recall the wording: That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial jurisdictions and construct an entirely centralized state, as can be seen from Bills C–76 on the Canada Social Transfer, C–88 on the Agreement on Internal Trade, C–91 on changing the name and mandate of the Federal Business Development Bank and C–46, which confirms that the Department of Industry is responsible for regional development in Quebec and Ontario.

These are legal terms we use in the House, but basically, the real question being asked today, and it has already been asked this morning by the federalist parties, which demonstrates their failure to understand the issues at stake for Quebec, is as follows: Why is Quebec again disturbed by this attack by the federal government which is intruding in a variety of areas? Why is Quebec again being a spoil sport? Since today is the first day of June, 1995, I think we should make this show–and–tell month.

In fact, after the offensive fought during the Trudeau years to put in place a system the Liberals now want to resuscitate, we had a strategic retreat by the Conservatives when, because of nationalist members within the Conservative caucus and because it was impossible to get through the bureaucracy at Industry Canada, for instance, the government decided in favour of what I would call a by–pass operation. It created the Federal Office of Regional Development and other regional agencies to get around the centralizt bureaucracy and find parallel channels for spending federal money in the regions. However, that was still at a time when there seemed to be enough money or in any case the government was still willing to borrow money, all of which helped to run up our current debt.

Today, the "arteries" are being closed down. There is no more blood for the system to pump. Whether we try to preserve the Conservative–built bypasses or whether we return to the centralizing approach, the system needs oxygen and does not meet the objectives. This is what has led us to the present situation of 1.2 million welfare cases in Ontario and 800,000 in Quebec and a debt that will soon reach $600 billion. I think these are the symptoms of the system's failure.

We are seeing a repeat of the events of the 1970s. The federal government decided it had the solutions to all the problems in areas of jurisdiction other than its own. Let us take Bill C–76 dealing with the Canada social transfer as an example. The federal government has decided to intervene in the areas of health, social assistance and post–secondary education—all areas of provincial jurisdiction. It has decided to establish national standards, which take no account of the economic and social realities of Canada's regions.

Let us look at a few examples. Bursaries and loans, for one. The bursary and loan system was changed on the sly so the provinces are now forced to comply with the wishes of the federal minister in this area. In Quebec, we developed a different model, and here Quebec will have to choose between complying with federal standards and making the rest of the population pay for the constraints established by the federal government.

One thing I learned as a member of the human resources committee on its cross–Canada tour is that there is not one Canada and that there is no single solution to the problems raised. The approach of setting up national standards, as we have seen in health care and other sectors, at a time when the federal government is cutting back, leads nowhere, except to frustration. This is the reason for today's motion by the opposition, which is to make people aware, in June 1995, a few months away from the referendum in which Quebecers will decide whether they want to leave this madhouse, as René Lévesque described this dysfunctional and dead–end system.

Therefore, Quebecers must do some thinking. At first we had thought they would have to decide between the status quo and sovereignty. Now, however, it appears that the choice is between a degenerating status quo with the federal government wanting to intervene even more and sovereignty. It is very clear.

• (1235)

I understand why people who consider the federal government to be the main government in Canada, the one that must apply all the rules, have difficulty understanding where the official opposition stands on this issue. When one looks at it from Quebecers' perspective, it is clear that for Quebecers in general, the main government has for a long time been and still is Quebec. The government in Ottawa is to a large extent the result of a compromise made in 1867.

Quebecers cannot accept that this federal government systematically interfere in areas such as social programs, internal trade and potential loans by the Federal Business Development Bank, and give the Department of Industry the responsibility for regional development in Quebec and in Ontario when one knows very well that this system never worked.

The Tories had been forced to create parallel agencies to put an end to this bureaucracy. Now the Liberals come back to the old system which suited Ontario but does not suit Quebec. I have nothing against the fact that members of Parliament from Ontario protect their interests, but I am against the consequences of restoring an old structure which adversely affects Quebec and does not offer good prospects.

Let us take, for example, the bill to implement the Agreement on Internal Trade, Bill C–88. We should keep in mind that this bill implements an agreement based on co–operation. Everyone in Quebec, Canada and North America realizes how important free trade is. It is so important that Quebecers rallied to the defence of the FTA, which would never have passed without Quebec's massive support. The FTA goes well beyond interprovincial trade opportunities.

Adjustments were made to reach an acceptable compromise. This agreement is based on interprovincial co–operation. Suddenly, with Bill C–84, the federal government is surreptitiously putting its big paws in this agreement by introducing a judicial process into an agreement based on an administrative consensus that disputes should be settled between the parties.

However, the federal government has now come up with a wonderful idea. In one case, whether or not the federal government is a party to the dispute, it may impose sanctions on the provinces which, in its opinion, do not comply with the agreement. This amounts to being both judge and party. This is a concrete example of the paternalistic approach used by this government and developed by the Canadian federal system, since, under the federal decision making process, senior officials always feel that they are right about what to impose on Canadians.

I now come back to the example of the Standing Committee on Human Resources Development. A year ago, officials, deputy ministers told the committee that UI reform would introduce two levels of coverage. They said that people in the outlying regions and seasonal workers go on UI because they are not prepared to work hard. Our committee travelled across Canada and unanimously rejected the proposed system. The minister set up a committee on seasonal work, which also rejected the whole approach proposed by the federal bureaucrats. This week, senior officials smugly outlined for our committee the same vision they had a year ago.

Although he may have acted in good faith in this matter, the minister did not succeed in convincing them to change their proposal one iota. The bureaucracy's control over Canada's development is unhealthy. Bureaucrats are responsible for the current results. It is because of them that regional disparities are so wide, because they never wanted, because this government in particular does not want, to give each region control over important sectors. Instead, perhaps because the constitutional provisions on the division of powers are so vague, it always feels like interfering in areas of provincial jurisdiction, simply because it has the right to collect and redistribute taxes.

Following the Canadian social transfer and the agreement on internal trade, the federal government is stepping up its attacks by proposing a new Business Development Bank of Canada.

• (1240)

Clauses 20 and 21 of the new legislation to change the name of the Federal Business Development Bank to Business Development Bank of Canada, which is a minor change as far the name is concerned, make it possible for the federal government to systematically interfere in regional development. This goes to show, once again, that the federal government does not regard regional development as a provincial area of responsibility. In fact, it is unclear whether the provinces exist at all in the eyes of the federal government.

Under clause 20 of this bill, it may deal directly with any organization, which means that the same pattern will be used as in the past. The federal government will walk in with its money, tell community consultation organizations, municipalities or development funds: "The thing is, we can give you money for regional development, but we want to have a say about how it will be used, since our contribution will be substantial". And the pattern of fighting will be repeated, with provincial and federal organizations each defending their turf. In the end, who will be the losers? The people. In this case, with the development bank, the businessman is the one who will be in a worse

position than before with the various departments he will have to deal with.

This is the third bill which, under the guise of simple name change, is used to discreetly introduce provisions that would have gone unnoticed if it were not for the watchful eye of the opposition. But this is serious business and it speaks volumes about how this government operates, always trying to go over the heads of the provinces.

If we were certain that this approach was effective, we would have to recognize that, as unconstitutional as it may be, it is efficient, but experience shows that it is not effective and never has been. A region like Eastern Quebec is a perfect example, having been a proving ground for every federal–provincial action for the past 25 years. And the end result was a significant drop in population. All the young people have moved away, and we are struggling in our communities to get out of this situation, but were it not for the goodwill and sweat of local stakeholders, we would get nowhere. But we also get tired of trying to work with that system and finding ways to implement programs locally.

There is another clause in the Business Development Bank of Canada bill which is indicative of duplication, as it set out two different goals for a development policy. I am referring to the fact that the bank is to support Canadian entrepreneurship. This is a very general statement. It means that, if some provinces implement projects on their territory to make up for the seasonality of their economy, for example in the Maritimes or in certain regions of Quebec, a federal intervention aimed at providing programs which support Canadian entrepreneurship could easily trigger a centralization of businesses in the large centres, and thus result in an even greater population decrease in the outlying regions.

The provinces, and particularly Quebec, will have to spend energy and money to fight that approach. The federal government will do just the same, with the result that public servants will be very busy and will work really hard, but not toward the stated goal, which is to develop the economy.

If only one bill or another was involved, we could talk about a blip on the screen, or say that the federal government wants to interfere in social programs because it feels that some provinces are not adequately assuming their responsibilities. However, this is a planned approach. It is a systematic approach designed to make Canada a unitary state.

The predominantly English–speaking provinces probably have no problem with that approach, since they are pretty comfortable with a system where the federal government assumes all the responsibilities. A university chancellor in the Maritimes told me that we were now at a stage where we need a federal department of education and that it will have to come to that. I told him that I appreciated his being so clear about the issue. Such will be the choice for Quebecers. They will have to decide whether to keep the steamroller which, in 1982, unilaterally erased the reference to two founding nations in Canada's constitution.

• (1245)

Now we are left with the Canadian people. Since 1982, all the federal structures have favoured this approach, which is at odds with how Quebec wishes to develop.

Take health, as an example. The official opposition is said to continually criticize the federal government's interference in areas of provincial jurisdiction, but, of course, they are sovereignists. The members opposite will even say we are separatists. But if we take an event like the health forum, there could have been two different approaches.

The federal government could have made sure that the provinces were represented. The discussions might have taken a little longer, but it would have been possible to reach a consensus and find a logical solution. Instead, it was decided to hold the health forum without the provinces. Not to worry, we will bring in experts to define Canada's needs. The result was inevitable.

We find ourselves in the situation where the recommendations resulting from this forum will have no credibility with the provinces, who already have jurisdiction in this area and are aware of the problems created by the reduced federal budgets. And more problems are expected in the future. The provinces must take on increasing responsibilities, with no consultation by the federal government, accepting the news and making short term adjustments.

Here we are at the beginning of June 1995. Quebecers are three weeks away from their national holiday and a few months away from a referendum in which they must decide if they want the future of the people of Quebec to be governed entirely by Quebecers or whether they can risk seeing the people of Quebec become just a minority among Canadians within the Canadian constitutional context.

We have the choice of accepting the model proposed by the federal government or fighting it within the existing Canadian system. But that has been the nightmare of the last 30 years. There is no longer anyone in Quebec who dares to say that we should keep trying to change the federal system. No one in a position of political responsibility would say it because it no longer has any credibility, there is no longer any likelihood that it can be done.

The third choice available to Quebecers is to leave the existing federal system, eliminate duplications and overlap, all the reasons to do with how it operates. But why, when it comes right down to it, should we leave? Why must we make sure that these unsuccessful efforts are not repeated? Why cease these futile struggles? Because, fundamentally, we are a nation. We have long sought to work out an agreement with Canada's other founding nation. Now is the time to make a choice. As Maurice Duplessis said: "Donnez–nous notre butin". Faced with a choice between what this government is offering us and taking

control of our own destiny, I think that Quebecers will choose Quebec and that, in the fall, they will decide that it is time they had their own country.

[*English*]

Mrs. Jane Stewart (Brant, Lib.): Madam Speaker, in my hon. colleague's earlier remarks he referred to Bill C–76, particularly the Canada health and social transfer, somehow implying that our change to a block funding format is reducing the flexibility or changing the control the province has in the areas of health, education and social assistance.

I sat on the finance committee and listened to witness after witness say that they were concerned the strategy was quite the opposite, that perhaps the block transfer gave too much flexibility to the provinces.

The hon. member must be able to defend that. The people of Canada are seeing just the opposite. Under Bill C–76 we are not infringing upon or tying the hands of the provinces but doing quite the opposite. We are giving them far more latitude, far more opportunity to spend the moneys transferred to the provinces in the way they see as best.

• (1250)

There were questions earlier of my hon. colleague, the Parliamentary Secretary to the Minister of Finance, that said we were somehow creating new guidelines and controls on the provinces. However, as the parliamentary secretary indicated very clearly, the words mutual consent are just that. The provinces would have to agree to any new standards and guidelines and if they did not, fair game.

How can the hon. member convolute Bill C–76, particularly the Canada health and social transfer, into any kind of representation that the federal government is trying to put more controls and more strings on the provincial responsibilities and ability to use their funding in those areas?

[*Translation*]

Mr. Crête: Madam Speaker, I think that the question is quite pertinent, because it gets to the heart of the debate. In effect, the organizations from English Canada which testified before committee had the gall to say that, if the provinces were given too much latitude, they might do things that hinder their objectives as organizations.

Let us look at what led to this situation. Twenty–five or thirty years ago, the federal government opened up its floodgates and began funding all kinds of programs. This contributed to our current debt. These organizations, which have all along been fed by the federal government, fear that when the government runs out of money, instead of simply saying so, it will decide to reduce transfers to the provinces, which will in turn reduce the capacity of these organizations to act.

Their reaction is understandable, absolutely normal and healthy. They want to survive and are looking for funding. Each group is doing it the best way it knows how. But did you see any Quebec organizations behave in such a fashion in front of the finance and human resources development committees? Did any of Quebec's organizations appearing before the finance committee say "we could not live with the decision to give Quebec jurisdiction over social programs?" No, not a one.

The main government for Quebecers is the government of Quebec. The government of Quebec is responsible for providing the fundamentals to promote at the very least the survival of Quebecers as a people. Many years ago, Quebec realized that that was not enough. We cannot live on unemployment insurance benefits alone. We do not want people telling us that they are our cash cow, that they hold the key to our development. What we want is control over our own development and the ability to implement measures that will get us out of difficult situations.

We, not just Paul Crête the separatist but all Quebec labour stakeholders, have been systematically petitioning for jurisdiction over the labour portfolio for 10 years now. The Liberal Party of Quebec, the Conseil du patronat du Québec, the unions, and everybody in between all agree.

It is obvious that Quebecers took part in the Canadian confederation in the hope of harvesting good economic benefits. Today, they are realizing that they do not have enough power to develop to their potential in this system. Worse yet, they are realizing that the federal government would force them to use the model that the other provinces want.

Take for example the changes made to the loan and bursary program this year. The main section says that all provinces with a loan and bursary program must meet all of the requirements of the federal minister. The anglophone provinces have no problem with that, but Quebec developed a unique loan and bursary program 25 years ago. When this program becomes compulsory, which is why in Quebec particularly, students were opposed to this bill, Quebec will have to revamp its program completely to make it conform to national standards, without the social adjustments we want to include.

In Quebec we are willing to have government pay a larger share of tuition fees. We are willing to let students have a better balance of bursaries and loans. The Canadian model does not want to develop that. Let them go ahead and develop a different model, but let Quebec have the option of doing as it sees fit.

• (1255)

Briefly, to answer the question, I think we have reached a decisive stage. We must get out of this artificial financing, because Canada no longer has the artificial means to spend as if there were no tomorrow. The debt is no longer the government's business, when people from outside the country come to tell the government to find ways to control the debt.

So they closed the tap part of the way. The federal government decided it would offload budget cuts on the provinces, and now we are going to have to pick up the pieces. You can live beyond your means some of time, but not all of the time. In any case, there will have to be some major structural changes, but the most positive change would be to give these two communities, Quebec and Canada, a chance to develop side by side without putting obstacles in each other's way, and to let them each control their own future.

[*English*]

Mrs. Stewart (Brant): Madam Speaker, I think the hon. member has just made my case. He says that the people of Quebec want to have the responsibility to spend the moneys on health, education and social assistance in the way they see fit.

That is what the block transfer allows them to do. We put the money together in a fund and give it to the provinces that constitutionally have the responsibility to provide programs and services for health, education and social assistance. We are telling them they know best. They can take the money and allocate it in the way they see best fitting for the people of Quebec. The block transfer gives that flexibility. It gives the provinces the responsibility to respond to its own constituency in those areas.

In the course of the debate I cannot see that the opposition has any real clarity or substance to its point.

[*Translation*]

Mr. Crête: Madam Speaker, I think the clearest answer to this question, the best example, to be objective, is not to be found in Quebec, but in Alberta. The provincial government there has an approach which is very different from what the federal government might wish. It is almost forced to cheat with federal standards in the area of health. It is forced to beat about the bush, because it wants different rules. But the federal government, despite its reduced funding, feels free to establish very clear national standards regarding the five principal conditions. And so the provincial government becomes the bad guy. Provincial governments are certainly not going to accept responsibility for the years of bad management of funds by the federal government.

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Madam Speaker, I would like to make a couple of comments on what we have just heard.

First, a reminder regarding the Canada social transfer. Could it be that what the Bloc members do not like in this is the word "Canada"? They might like it better if it were called the Bloc social transfer. Indeed, it is the word "Canada" that irritates them the most in the expression Canada social transfer.

It must be pointed out that the Canada social transfer includes education, health care, and social assistance. From now on, under the Canada social transfer, Quebec will receive block funding, as will all the other provinces, each one of them; the Quebec government will be able to allocate this block funding as it sees fit. It will decide how much will go to education, how much to health care, and how much to social assistance. This is important.

The federal government is only setting the following two conditions; this is extraordinary decentralization and flexible federalism. First, the health care system will have to remain Canadian, and accessible to all Canadians. As our Prime Minister has said on several occasions, the health care system must allow people to be admitted to the hospital when they are sick, not because they have money.

Therefore, a universal health care system is the first condition, The second one is that there be no minimal residence requirements. This is simple, this is not complicated, this is what the Canada social transfer is all about, whether you like it or not. Furthermore, the member for Kamouraska—Rivière-du-Loup mentioned earlier that this system was centralizing.

• (1300)

I would like to go back to something I said earlier using FORD-Q as an example. This is something I discussed with several of my constituents—I am fresh out of an election campaign and have been in this House for close to three months—and people in Brome—Missisquoi want to keep FORD-Q. Not only do they want to keep it but, as I mentioned earlier, at a forum recently held in Trois-Rivières on the future of the regions in Quebec, people demanded that Quebec do its share with regard to regional development. To this day, Quebec has done nothing. The federal example is convincing and I believe that we must continue along the same line.

To conclude, I would like to ask a question to the member.

The Acting Speaker (Mrs. Maheu): I am sorry, but the member has risen on debate. He has 10 minutes. I understand that you are sharing your time.

Mr. Paradis: Madam Speaker, I thought I had risen on questions and comments. For the debate, I intend to share my time with the member for Durham.

The motion of the opposition suggests, among other things, that the legislation implementing the Agreement on Internal Trade is aimed at reducing Quebec's powers to the benefit of the federal government. First of all, I would like the member for

Shefford, the mover of the motion, to become familiar with the bill.

The preamble reads as follows:

> WHEREAS the Government of Canada together with the Governments of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, the Northwest Territories and the Yukon Territory have entered into an Agreement on Internal Trade;
>
> AND WHEREAS the reduction or elimination of barriers to the free movement of persons, goods, services and investments is essential for the promotion of an open, efficient and stable domestic market to enhance the competitiveness of Canadian business and sustainable development—

This is the preamble to the bill.

Clause 5 is not too complicated. Clause 7 says: "The Agreement is hereby approved".

This is an agreement between the provinces and the federal government. This agreement between the federal government and the provinces shows once again how efficiently Canadian federalism can accommodate differences and produce concrete, practical results.

For example, in Brome—Missisquoi and particularly in the Estrie region, there is an very high degree of co–operation in labour matters between the Monteregian and Estrie manpower associations and Human Resources Development Canada. We sat down together and signed an agreement, a document looking at job opportunities in the next five years.

This is another example of the co–operation between the federal government and Quebec.

Canadian federalism requires a high degree of consultation and co–operation between the federal government and the provinces on a wide range of issues. Federal–provincial relations are doing very well in Brome—Missisquoi. I must say that the relations are quite friendly.

Our federalism is based on a series of intergovernmental mechanisms that allows us to overcome difficulties. That is why, over the years, we were able to work out various arrangements between the two levels of government.

This approach is successful in our federation because the Prime Minister, the premiers, ministers and public officials all work in close co–operation to achieve concrete, practical results.

These arrangements are an essential component of the Canadian federation and provide flexibility.

These various mechanisms and this great flexibility associated with our kind of federalism enabled us to achieve the following in co–operation with our partners: the signature of infrastructure program agreements with all the provinces.

• (1305)

This program was implemented quickly with the co–operation of the federal government and all the provinces, is working very well and has created jobs from coast to coast, which is what Canadians want.

We also signed action plans to reduce overlap and duplication with eight provinces and two territories. We set up Team Canada. As you may recall, the Prime Minister travelled to Asia and South America for the purpose of making inroads on new, promising markets. Again, for the purpose of strengthening the economic union, we signed an agreement to reduce interprovincial barriers to the free movement of goods and people.

Consultations on interprovincial barrier elimination in Canada is a fine example of co–operation that lead to a practical agreement, which reflects the flexibility and vitality of this federation. The Government of Canada engaged in consultations with the provinces and territories, and together they agreed on a process that resulted, once again, in an agreement which is fair and just for all concerned.

Specifically, the agreement lays the basis for preventing the creation of new barriers and eliminating existing ones in nine areas of economic activity. It increases transparency and puts in place a dispute settlement mechanism available to individuals as well as businesses to ensure government compliance with the agreement.

It provides for the development of action plans in a number of areas, so that standards are harmonized. It covers major areas like transportation and consumer protection. In addition, great emphasis is put on the environment in this agreement, thereby setting it up as a modern–day concern.

Finally, the agreement takes Canadian diversity into account by ensuring a fair balance between trade objectives and government objectives.

This is the first agreement of its kind in Canada. It represents a major victory for all Canadians. It proves conclusively that the federal, provincial and territorial governments can work together, provided there is good faith.

This agreement is a key part of this government's strategy for promoting strong economic growth in Canada and getting Canadians back to work. The Internal Trade Agreement, complete with concrete changes, implementation schedules and thorough process, will reinforce the Canadian economic union and promote freer movement of people, capital, goods and services within it. It is the exact opposite of the separatist option, characterized mainly by self–centredness and a fascination with one's navel.

Contrary to what the hon. member opposite suggests, the act to implement the Internal Trade Agreement is not designed to take powers away from Quebec or any other province, but to ensure that we all grow stronger.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I will make a few comments before putting my question. First, I want to point out the contradiction in the hon. member's last comment. He claims that sovereignists are self–centered, but it is the federalists who say that, if we do achieve sovereignty, they will not enter into an economic union with Quebec.

So, which side is self–centered? It is the Canadian side, and I do not mean the people, but those who are mandated to represent them and do not do so properly in this case. They are the ones who say that they will refuse to participate in an economic union with Quebec. They are the ones who are self–centered, not us.

As for us, we are saying just the opposite: we welcome the idea of a partnership. After all, it would be consistent with today's trend. It is possible to want to control things and have as much power as possible as a nation and still be open to the idea of economic partnerships with others.

It is the hon. member who is inward–looking and self–centered. He is new here but, over time, he will come to recognize all the examples of duplication which exist.

• (1310)

The member referred to the Canada social transfer. I participated in a talk show at a Montreal radio station, CJAD, with the Minister of Human Resources Development, who addressed people who were panicking at the idea that the federal government would no longer have control. Interest groups in Canada are indeed concerned when they realize that the federal government will have less control over social programs. They are worried when they see the rise of the right wing in western Canada, and I can certainly understand their concern. They are worried about this whole issue.

The Minister of Human Resources Development told these people, and you can listen to the tapes: "Quite the contrary! We will now have more control than before". I would appreciate it if the two of them could get together and try to reconcile their views, given that the member just referred to an extraordinary flexibility.

He also mentioned the Federal Office of Regional Development, now a federal structure with no money and no means to act, but which gets involved in many issues. The member says: "Now, this is a good illustration of the future in regional development". I say that there is still a lot of room for improvement.

Let us now look at the issue of manpower, to which the member briefly alluded, and also the co–operation agreements in his region. In his speech, the hon. member said that we would discuss, examine and consider the issue, and that is exactly what is being done. But while governments are discussing, the unemployed and welfare recipients are not working. While he says: "It is all right, federal and provincial officers are working together, trying to harmonize things and reduce overlap", nothing is being done, because of all the tension between the two levels of government which are always eager to pass the buck back and forth.

When only one level of government will be dealing with this issue, things will be clearer for the citizens who will have a more direct influence. The time will have come to stop talking about it and to take action, and I can hardly wait. My question is related to all of this. At first, the Minister of Human Resources Development said that he would reduce transfer payments for post–secondary education. Given the reaction of students, the government decided to hide its agenda first by lumping up the programs and then by making its cuts so that no one would know which program was hit the hardest.

Having said that, let me add that the Quebec National Assembly unanimously passed a motion put forward by the Action démocratique, with the support of the Liberal Party of Quebec, the close federalist friends of the members opposite, which said that Quebec should get more tax points instead. They all agreed on that.

Since the hon. member believes that the system is flexible, I would like him to tell us why his government does not want to give this area of jurisdiction to the province of Quebec and if he supports the resolution passed by the National Assembly of Quebec, which is asking for more tax points instead of cuts to cash transfers. I would like to find out the position of the hon. member on this issue.

Mr. Paradis: Madam Speaker, my first comment would be to say that Canada is a country that works. Maybe that is why our colleagues in the Bloc Quebecois do not know which way to turn. Canada is a working proposition. A moment ago, they were talking about dismantling something that works just fine in order to set up a new partnership. That is exactly the word used by colleague from the Bloc.

If we are to have a partnership, mutual respect is a prerequisite. Hurling insults at people or at a system will lead us nowhere. Canada already has a structure to accommodate co–operation and partnership between the provinces and the federal government. Scores of agreements have been signed by both levels of government. That structure has been designed to let Canada as a whole and the provinces, reach for a better future.

My second point concerns the Canada social transfer, which demonstrates the flexibility of federalism.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, it gives me great pleasure to enter into this debate on the motion by my hon. colleague in the Bloc Quebecois.

What we are discussing today is flexible federalism. Indeed, I think sometimes that my hon. colleagues in the Bloc do not understand the word flexible. What has kept Canada together for many years has been the fact that people have been able to understand and respect each other's differences and diversities.

I can remember reading an article about an American study which was commissioned during the second world war. It said that of all the allied countries which were fighting in the war, Canada was the most likely to break up.

• (1315)

As we stand here today we can reflect on the erroneousness of that report which talked about Canada's being so decentralized it would be an easy matter for it to dissolve. The reality is the decentralization of Canada is its strength.

We govern a huge geographical country. This part of the northern hemisphere has not only great cultural diversity but also climactic diversity due to our geography. Lester Pearson once said we have too much geography in this country. There is some truth to that.

My fellow colleagues in the Bloc often discuss and point to what they believe is duplication and overlap. They like to point out this is some kind of failure of our federal system. Let us look at some of these programs. I am amazed at some of the areas Quebec does control. It has control over immigration and controls for a large part its own income tax system. For most countries their individual states do not have these kinds of powers. Clearly we have already decentralized significantly in Canada.

The Bloc often says our having shared jurisdictions creates inefficiency. Duplication and overlap is the theory. I have been interested to discover one area of purely provincial jurisdiction in Quebec, education, does not perform particularly well. Next to Alberta, Quebec has the highest drop out rate for secondary education institutions, over 30 per cent.

Quebec spends the highest per capita on education with $7,132 per student. With this exclusive control it would appear it has been unable to solve its problems. All provinces have problems, but it is not clear that by not having shared jurisdictions somehow there are great efficiencies to be earned. With shared jurisdictions there is more of a consultative framework, more of an opportunity to get good advice form across the country.

I will deal with two components of the motion. It talks about Bill C–88, an agreement on internal trade. All provinces have basically consented to this and signed this agreement. In an era when we are discussing things like the GATT agreement and NAFTA it seems almost a tarnish and a shame on Canada that we have to argue and discuss trade agreements within our country.

The Bloc Quebecois has often talked about a European Union type of government. In reality the European Union probably has freer trade within its union than does Canada. The agreement on internal trade does not solve all of these problems. There is continued inhibition of trade within our country. It seems odd to me when this act is used as part of an argument that somehow we are trying to concentrate power in Ottawa when in reality we are trying to create a free market within our nation.

The motion deals with Bill C–91, an act not to create something new but merely to rename something. I can only assume my colleague's concern is the Federal Business Development Bank may well become the business development bank of Canada. I do not know if the use of the word Canada bothers him so much. I do not like those words. When I see the words of Canada I think of American corporations operating in Canada, such as General Motors of Canada. Be that as it may this is the proposed new name.

• (1320)

It seems to me some of the things proposed in the legislation are to create more dynamism in arranging capitalization of small and medium sized businesses. This is something very close to my heart. I believe through creating new capital markets in Canada we will encourage and create new jobs. The business formation is inhibited by its inability to seek capital.

I have listened to some of my colleagues in the Reform Party who speak against this bill because they feel it is a competition with existing banking structures. The Federal Business Development Bank and in some ways its sister company, the Farm Credit Corporation came into existence for a very significant and real reason: there is a significant lack of long term business financing. Our banking sector has basically become a short term lender. The popular loan within the banks is a demand loan. Imagine borrowing some money today and tomorrow the banks can call it back. That is how the banks want to lend. There are a number of reasons. It has to do with their deposits and so on. That is what banks are.

In a sense there is a disequilibrium in the market which is long term financing. Banks do not get involved in it mainly because of the way they are capitalized. The Federal Business Development Bank, which is now called the business development bank of Canada, will raise funds in Europe and other equity markets throughout the world and attempt to match them on a long term approach.

It does not matter whether we are in Quebec, Ontario or Saskatchewan, small business needs some kind of access to this capitalization and it is not being provided in Canada.

In the United States it is common to have mortgages that run 30 years and payable in 30 years. This gives people a great deal of security in their arrangements. We do not have this in Canada. Our capital markets are deficient because we have only short term lenders. Because of that uncertainty in our marketplace

small businesses find it very difficult to become capitalized. What they want is equipment. Farmers are probably the most capital intensive of any business with farmland, equipment and buildings that cannot be paid off tomorrow.

I am surprised that my colleagues in the Bloc, who I am sure must be interested in creating jobs in Quebec which has one of the highest unemployment rates in Canada, would see this bill as somehow a centralizing factor. This bank has branches throughout Quebec. If we had only one branch in Ottawa and we made all the people come here, I would call that centralization. When in reality facilities are available not only in Quebec but throughout Canada that is a decentralized approach and we are not treating any one province differently than another.

These are not gifts. These are not grants. These are not sources of regional development. People simply borrow money on a long term basis and pay it back over an agreed period of time. It is fulfilling a need.

I understand some people wish the private sector would do this. Why Canada is typified by short term capital markets I do not know. However, this is the way it is being addressed. Hopefully some day we can privatize this bank, but it has not occurred. Most of the major banks still do not get involved in long term lending.

From my experience the Federal Business Development Bank has been a major asset in lending to small businesses.

The important thing is both of these pieces of legislation have nothing to do with centralizing the power of the state but they have everything to do with creating jobs in neighbourhoods and communities in Quebec and in Ontario.

• (1325)

The problem we have with a lot of people is we have too much government. I do not think we need to centralize it. We need to get government closer to the people.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is a pleasure for me to rise this afternoon and speak in opposition to the Bloc motion.

In some ways and in some areas of the bill highlighted on this motion we agree with the Bloc that the system is broken and these bills are not addressing the real problem.

Where we differ with our colleagues from the Bloc is the problem is repairable. It can be fixed. There is absolutely no reason for quitting or separating. Canada is worth fighting for and that is what we have to do.

What I read in this motion, the me, we mentality, is the real problem. It is what is in it for me and not what is in it for Canada.

I recall an article about the me, we generation. It identified the 1980s as the me generation. It talked about the Milkens in the United States and the Campeaus in Canada who were out for personal gain and glory at the expense of jobs to thousands of Canadians.

The article suggested that changed in the 1990s, that the 1990s changed to what we call the we generation. It talked about people becoming more concerned about what is really important in life. It talked about the number of people who have started contributing to charities and working for the betterment of their communities.

In the article a minister had interviewed many people in their last moments. He never had heard anyone say in those last moments they wished they had spent more time at the office. The message there was we all have to remember that what is good for the family is really what is important.

There was also a story of a very successful stockbroker who had made millions in the stock exchange, more money than he could ever hope to spend in his lifetime. He quit all that when he realized what was really meaningful in life and what was really important to him was missing. He walked away from it. He went home to look after a young family even to the point of making sandwiches and participating in life. He found a great deal more satisfaction from that. This mentality of we, me is at the bottom of many of the problems we have in Canada today.

The status quo has been rejected overwhelmingly. There is no question about that with 205 new members elected to Parliament. There was a very strong message from the Canadian people they were not happy with what had been happening here and they wanted change.

Change does not mean walking away or quitting. The change they are asking for is a change to the system to make it work, to make for a better and united Canada. Canada is worth fighting for. We have the greatest country in the world.

We have a great opportunity with 205 new members. We have some fresh thinking, some new ideas and new visions for a new Canada, a Canada where all citizens in all provinces will be treated equally.

I am sure the people in the province of Quebec are no different from the people in every province across this great country. They are looking for a government that will live within its means. They are looking for a government that will do what it has to do in their lives and in their businesses.

There is no way any family or any business can continue to go deeper and deeper in debt year after year and survive. The people in Quebec are looking for politicians with integrity who will say what they mean and mean what they say. The tragedy of broken promises has created a level of cynicism which has to be overcome all across Canada.

They are looking for a change in the process. They are looking for changes with the government being more responsive to the needs and demands of the people. They want to have a say in what is going on in Ottawa, not just hear the voice of Ottawa in the ridings. They want a change in the process. Freer votes, referenda and recall are all issues which the people of Quebec would support as well as the rest of Canadians. As I said in another speech, if you want trust you have to give trust. We have to do that to return to the level of trust that has been lost. I am sure the people of Quebec are no different from other Canadians in wanting safer streets, safer homes and safer communities.

• (1330)

This motion highlights several bills and I would like to deal with two of them, the budget bill, Bill C–76, and Bill C–88, that deals with interprovincial trade barriers. In those two bills the government missed an opportunity and failed to unite Canada and to address the barriers which exist. I would like to highlight where the government went wrong and what should be done to restore Canada as a united nation.

The budget was wrong. It failed dismally in addressing the deficit and the debt, which are the most serious problems Canada has today. I was very disturbed and disappointed by the Bloc response to the budget. Apparently Bloc members still do not understand and appreciate the fact that the deficit and the debt are the major problems in Canada. What I heard was: "It is not really a problem. It is not too serious. All we have to do is trim a bit of government fat. Whatever we do, we should not touch the social programs because they are sacred".

I would suggest that with a $600 billion debt, overspending of $25 billion a year and interest payments approaching $52 billion, all programs have to be looked at thoroughly. It cannot be done simply by trimming government fat or by going after the social programs. All areas of government spending must be addressed. The spending which has been taking place in social programs, because they represent such a huge portion of the total spending envelope, absolutely has to be addressed.

The message is that Canada has a spending problem, not a revenue problem. Canadians from coast to coast understand that. They were ready for the budget. When I say coast to coast I am including the people of the province of Quebec. They understand the magnitude of the problem. They understand that living beyond our means has to come to an end. There will be some pain associated with it, but that is facing reality. To suggest that the deficit might be tackled by getting delinquent taxpayers to pay the tax dollars they owe is a flight in fantasy. It nowhere nearly approaches our enormous debt.

It is interesting that Moody's, the bond rating agency which fired a warning shot across the bow of the finance minister before the budget came out is not Conservative, Liberal, Reform or Bloc. Moody's is non–political and was, as a bond rating agency, in my estimation, doing us a favour. It was sending a warning to the government about the seriousness of the over-spending problem.

What did we do? We shot the messenger. The messenger was not telling us what we wanted to hear. In reality the messenger was giving us good fiscal advice to get our house in order and to get it in order quickly. It did that in advance of the budget because there were two messages which it wanted the govern-ment to get.

The first message was that 3 per cent of GDP is too low a target. It is easy and it will not fly with the investors that have been buying our bonds. The second part of the message was that it wanted a date set when Canada was going to achieve a balanced budget. Rolling two–year targets that the government hopes to meet will not fly with the people who have been buying our bonds. They want to know how and when Canada will balance its budget. No reasonable banker and no reasonable Canadian would expect less.

The downgrade which Moody's threatened before the budget was introduced, as we know now, happened. The budget which could have united us did not. In fact, it is doing more damage to the country as we are going deeper and deeper into debt. The downgrade has not really taken effect yet but it will down the road. It will have a very dramatic effect on the rate of interest paid to finance our bonds. Every 1 per cent increase in those interest rates costs Canadian taxpayers in the first year of borrowing an extra $1.7 billion. The impact of that downgrade is very significant and does not look well for the future.

• (1335)

The budget has been passed on the assumption that interest rates will remain fairly stable. That is a very dangerous assump-tion. It does not take into account the possibility of a downturn in the economy which we know is coming. It is not a matter of if it is going to come. Economies go up and down and Canada could very well be into a downturn in the economy now and is very poorly positioned to deal with it.

Canadians know there are three ways to balance the books in Ottawa. One is to raise taxes. The second is to hope for growth in the economy and the third is to cut spending.

Canadians from coast to coast are not prepared to pay any more taxes. Again, the people in Quebec are no different from the people in every other province who are taxed to the limit.

That is not an avenue that the government should explore to raise funds in order to balance the books.

Growth in the economy is an area the Liberals look at through rose coloured glasses, hoping that there would be greater growth in the economy than actually happens. The downside of that is when the economy does not grow. In fact our deficit and debt has increased, it has not been reduced.

Going back to taxes for a moment, taxes right across Canada are counterproductive. The more taxes are increased, the more the underground economy is fuelled. As huge as it is now, it will only grow by any attempt at an additional tax grab.

The area that we have complete control over is spending. That is where the government missed with this budget. It did not go after the reductions in spending to get the books in balance so that there would be no new and increased taxes.

The government likes to say that it inherited the problem. I suggest that it initiated the problem. I go back to the years 1963 to 1984 when the debt rose from $20 billion to just about $200 billion when it left office.

Unfortunately, the Conservatives took office and in their years from 1984 to 1993 the debt increased from $200 billion to some $490 billion. It is interesting that some of the Bloc members today were actually sitting with the Conservative government and were allowing that debt hole to continue to go as deep as it did.

It is also interesting to recall that very little was done by government members when they were in opposition to support any of the attempts that were made to get spending under control. For them to say that they inherited the debt is not quite factual. They initiated the problem several years ago that put us in the mess we are in today.

In 1993 when the Liberals presented their first budget, they still had no idea of the magnitude of the problem. The message we got then was: "Be happy, don't worry. This deficit and debt are not serious. We are not going to do anything". In fact they did nothing.

I should not say that nothing was done but what was done was unbelievable in the short time after the budget. The Bloc was part of this. They gave in to the smugglers. They gave away $350 million in taxes that Canadians could ill afford then and certainly could not afford today. That is aside from the additional health costs that are down the road because of that very foolish move on the part of the government.

What has been learned since is that the forecast of $350 million, which should not have surprised us because they are not good with numbers, turned out to be something like $800 or $850 million. It cost nearly a billion dollars to give in to the bad guys, the smugglers. It is unbelievable given the fiscal position we are in.

What happened in 1994? We had an admission that the problem was serious. Now the finance minister is saying that this is a serious problem. It may even be life threatening. Unfortunately he does not have a solution.

• (1340)

They have some plans for these rolling targets. At the end of this first rolling target the government will still be overspending by $25 billion a year and will be $600 billion in debt. When it addresses the next budget it will be trying to shoehorn in $52 billion in interest payments.

If members think this budget was difficult, try the next one, where the government will be trying to find a way to accommodate $52 billion in interest payments without any significant cuts. I would suggest it cannot be done.

Canadians in every province want fiscal sanity in this place and that is not what Bill C–76 gave us. They are not looking for pie in the sky. They know what has to be done. They are looking for reality and they are prepared to support a government that will give it to them.

Let me speak for a moment on Bill C–88 concerning interprovincial trade barriers. It is a bill that could have meant a great deal to uniting the country but it missed the mark completely. It was a great opportunity to bring down the walls that are dividing us east to west.

In spite of the barriers there is about $146 billion in trade between the provinces. It was the Canadian Manufacturers' Association that said those barriers are costing taxpayers $6 billion and hundreds of thousands of jobs.

Canada can trade north–south with free trade but it still cannot trade east–west. Bill C–88 did nothing to really address that. It just touched lightly on some areas but did not get into the real meat of the barriers that are there.

Free trade is talked about as the salvation of Canada. If it was not for free trade, our exports would be in a much sadder condition than they are presently. Free trade was violently opposed by the current government when it was in opposition. Today it is proving to be its salvation.

The federal government has a responsibility for breaking down the barriers to interprovincial trade but it has abdicated the responsibility. Those walls must be broken down because those barriers are interfering with the interaction of governments and deterring the development of culture between the different provinces.

The provinces have always been able to negotiate bilateral trade agreements. As a matter of fact one was negotiated between Quebec and Ontario regarding the construction trades. Both provinces worked that out and it was a model which showed those things could be worked out across Canada.

Bill C–88 as it is now discourages international investors from coming into all the provinces and creating employment. Years were spent negotiating GATT. The Department of Finance estimated it represents about a .04 per cent increase in Canada's gross domestic product. Yet the Fraser Institute said that if interprovincial trade barriers could be broken down the GDP could be increased anywhere from 2 per cent to 6 per cent. All this time has been spent negotiating GATT for .04 per cent when if something was done about internal barriers a much more significant improvement could be made in the GDP. This would translate into jobs that are sorely needed in the economy. As I said, it would strengthen our economic, political and cultural ties.

These barriers cause lost jobs in every province resulting in higher taxes and making us less competitive in the global economy. If we really want to benefit from north–south free trade, we can only do it by maximizing trade east–west as well. Again, it is the me mentality that exists which must be broken down. It has to give way to the we mentality.

In closing, I would like to say that with 205 new members in the House we have a great opportunity to resolve the problems in the country. We do have problems. There is no denying that. We are a family and all families must give and take. In every successful marriage it is give and take. It is never all one way if it is to be a successful and happy marriage. Working together we can fix it. We can make Canada a better place for all Canadians.

• (1345)

Indeed, Canada is worth fighting for. I intend to fight for it as hard as I can, as hard as I know how. I want to do that because my grandchildren are counting on me to do that.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Madam Speaker, I would like to begin by making a comment and then asking my colleague to answer a question.

First, I very much enjoyed the beginning of his speech where he spoke about the me and we mentality. Then for whatever reason, I do not know why, he derailed himself and took a different type of train. I counted in excess of 52 different negative connotations throughout his speech. He spoke at the beginning about public cynicism and public confidence, yet his speech dealt only with the negative but not really the positive things this government and this country have to offer its people.

My colleague surely knows it is not government that creates jobs; it is the private sector. Surely my colleague and the public would know that all the government can and should do is create a proper environment so the private sector can create jobs. Historically, it has always been the private sector that has created jobs.

I would like to bring to the attention of my colleagues that interest rates since we took office have been stable; we have stability in interest rates. Our trade has hit an all–time high. Our economic growth is leading the G–7 countries. My colleague could testify to the fact that our growth is greater than any other country in the western hemisphere.

The government has taken a number of steps in order to streamline and reorganize the way we deliver services. In fact some of those bills deal specifically with reorganizing, with giving different levels of government different responsibilities so we can better do the job we are supposed to be doing.

I also wanted to bring to my colleague's attention that there is a myth that government should not be looking at taxes for generating revenue. The only way for government to get revenue is through taxes. How else can we support programs unless we are generating tax revenues? Economic growth means businesses are doing well, which means government is generating more taxes.

Telling the public we are no longer going to collect taxes gives the wrong signal; it is the wrong thing to say. We should be saying that we need economic growth so government revenue could increase through taxes. If businesses do well we will bring in more taxes.

I do not understand why my colleague would say we can no longer collect tax from the private domain. That is the only way governments here and anywhere in the world can do business unless they were to go into business themselves. We were in business in the past. This government is trying to get out of doing business itself by streamlining, by privatizing part of the crown corporations we have so they can do the kind of work done by them in the past through the government. They will be able to do it on their own.

On the issue of spending, this government has done a tremendous amount of work in the area of spending. I do not know what my colleague expects. In one year the government came down with a budget that slashed over 45,000 jobs from the public service itself, from the public domain.

If we were to look at the balance sheet, this government is now generating more revenues than we are spending. In a way we are already in a surplus position. The problem here is there are no more cuts to be done but we have to increase revenues.

I will submit to my colleague that we should turn the me and we mentality into a mentality of we collectively.

Finally, I wanted to ask him what specifically he would suggest the government do that it has not done, and give it to us in point form without any negatives.

Mr. Harper (Simcoe Centre): Madam Speaker, there was a lot said by the member for Ottawa Centre.

I would like to begin by saying it is very difficult to find anything but negatives when we are responding to this government's agenda. I could not believe it when I heard the member say that it is not governments that create jobs but the private sector. That is not the message that has been coming across the

floor. They have spent $6 billion on an infrastructure program because governments were going to create jobs, arenas, boccie courts.

• (1350)

That is government creating false jobs, not real jobs. It still fails to get the connection between high taxes and job creation. High taxes kill job creation. If we want to create jobs we have to lower taxes. One of the provinces is doing that right now. It is lowering taxes and cutting spending. What is happening? It is increasing employment. It is getting more jobs for its people.

This budget is not a job creator, it is a job killer. The government does not create jobs, the private sector does, and the private sector is looking for tax reductions. Anybody in the private sector will say: "Get out of our lives. Get off our backs. Get out of our pockets. We will create the jobs, but we do not need you on our backs. Get off our backs and we will do it".

The hon. member spoke about the myth of taxes. I am sure that Canadians who were listening to "we do it with more taxes" are responding to that, because they are eagerly waiting to give the government more tax dollars. They have been giving the government all of these tax dollars and they have been receiving fewer services. Does the government not think they are getting the message?

The reason for the tax increases over the years has been supposedly to do something about our deficit and debt, but they have been getting deeper and deeper. It has not happened. There is no proof that the answer is to go after more taxes. In fact, the opposite has been happening for 25 years.

Where is the justification for standing up and talking about the myth of taxes? The myth is that we are taxing too much. We have to cut our spending. When we have been overspending for the number of years we have been, to suggest that we can continue to overspend and that the Canadian people will be prepared to support us with more tax dollars is to dream in the extreme.

The government has not yet received the message. It will get it in the next election. When the government addresses the next budget let it find how it will accommodate $52 billion in interest payments that are going out the window without increasing taxes and again hurting the creation of jobs.

It is nice to hear hon. members opposite talking about free trade. When they were in opposition they were vehemently opposed to free trade. Yet in fact free trade today is the salvation of this government. If it were not for free trade it would be in far worse shape than it is right now.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, as my colleague for Simcoe-Centre was saying, it is true that the Liberal government does not understand anything. But, unfortunately, the Reform Party has not yet understood that Canada's fundamental problem is not about to be solved.

Despite their good intentions, Reform members have not understood that, when powers are centralized in Ottawa, it just perpetuates a long-standing problem in Canada. When powers are centralized, taxes go up, costs go up and we do not get the services we need. So when a Reform member rises in this House to tell us that what we need is more services for the people, I have to tell him that it is certainly not by centralizing powers in Ottawa that we will be able to provide more services to the people. Anybody with good common sense would recognize that, if we want to provide more services at a lower cost, we have to get closer to the people. Therefore, powers have to be decentralized.

We can see through all the bills I have talked about that the Liberal government is trying once again to centralize even more. And, once again, it will be expensive, it may even lead to tax increases, it will certainly cause more waste, more irresponsibility, more lobbying and all the other evils that come with excessive centralization of powers in Ottawa.

If members from the Reform Party, from the west, really want to offer a solution for Canada, they have to try to return powers to their provinces. They really have to do that. If they do, government will become more efficient.

We, in Quebec, understand that bureaucracy has to be reduced. We have known that for a long time. That is exactly why we are sovereignist. We have understood that it is the only solution for us if we want to provide more services to the people, to reduce costs, to reduce duplication and to get the federal government out of the picture.

• (1355)

And if Reform members and western Canadians really understood the situation, they would agree with us because the option for Canada—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member.

[*English*]

Mr. Harper (Simcoe Centre): Madam Speaker, I am not sure what the question was. I do not even think it was a question. I think it was a very eloquent statement from a very eloquent member.

Nowhere did I say the government should offer more services. That is not a reality and I did not suggest that for a moment. What I am saying and what I said in my remarks is that we have to get less government. We have to get government out of our lives. There is too much government, and we have to reduce that level. However, we do have to provide services, and we can provide services by getting the services provided by the government that is closest to the people. There are many areas where that means transferring it to the provincial governments. We do

not have a problem with that. We have to deliver these services in the most cost efficient way possible.

The member was suggesting that people in Quebec might be prepared to pay more taxes. I would like to see a poll on that. I do not think they are prepared to pay any more taxes. I think they feel the same way as the people in Ontario: They are taxed to death and they are looking for some relief by the government cutting its spending. That is the answer to creating the jobs the member needs in Quebec, just as we need them in Ontario.

The Speaker: That is a lively little exchange we have going. I think it is almost two o'clock.

[*Translation*]

My dear colleagues, it being 2 p.m., pursuant to Standing Order 30(5), the House will now move on to members' statements.

STATEMENTS BY MEMBERS

[*Translation*]

CULTURAL EXCHANGES

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I am very pleased to speak about a group of students who are here in Ottawa today.

Some 30 students from Como Lake Junior Secondary in British Columbia and from l'école Saint–François–Xavier in Quebec have been participating in a praiseworthy cultural exchange. The Quebec participants first went to British Columbia,

[*English*]

They were welcomed by a host family and encouraged to practise and improve their knowledge of English and of British Columbia. In turn, the students from British Columbia were welcomed into homes in Quebec, where they were immersed in the French culture and language.

These students are living proof of the desire held by Canadians to learn more about their neighbours.

[*Translation*]

I congratulate the students and their professors for promoting cultural exchanges and for their desire to learn the other official language.

I would encourage my colleagues in this House to follow their example and to show the whole world how Canadians appreciate each others' differences and similarities, and how this makes it the best country in the world.

ENVIRONMENT WEEK

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, in honour of Environment Week, June 4–11, I would like to acknowledge the laudable efforts of the Canadian and Quebec mining industry to be more environmentally conscious.

The Canadian mining industry is the first mining association in the world to develop an environmental policy for all of its members. Under this initiative, dubbed ARET, Accelerated Reduction/Elimination of Toxics, the largest mining companies have committed themselves to reducing the most offensive emissions by 71 per cent by the year 2000.

We can only welcome any measure which aims to make the sustainable development of natural resources more environmentally friendly.

The mining industry's commitment to reducing its emissions is a big step in the right direction. Our congratulations.

* * *

[*English*]

ENVIRONMENT

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, with next week being Canadian Environment Week, I want to point out the many improvements that have taken place in our natural resource industries, especially forestry, to protect the environment.

As someone who has earned a living as a logger and a prospector, I know that most people work in the bush because they love it. I know that forest industry employees want to ensure that jobs in the bush remain available for their communities, their children and their grandchildren. They want to be able to continue hunting, fishing, hiking and camping on public lands. They want their communities' watersheds also to be protected.

Science and technology are helping us to gain a better understanding of how these activities affect one another. I believe it is only through a national commitment to sustainable development of our natural resources that our Canadian standard of living, widely recognized as the best in the world, will be maintained, including the environment.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, yesterday in the House of Commons I again asked the government to delay its plans to immediately eliminate the Crow benefit until a more detailed review of the long term implications of this decision was completed. I want to bring to the attention of the minister of agriculture that other farm

experts have today said that the government may be moving too quickly.

Testifying in front of a committee today, Ron Leonhardt from the Unifarm organization said: "When great changes are being made, there must be a transition period". On behalf of the Saskatchewan Association of Rural Municipalities, Ron Gleim said that the federal government may have moved too fast with not enough money. He expressed concern about the unsubstantiated government claim that crop diversification and value added production would replace the Crow losses by saying: "Hoping and praying will not pay the bills".

There has not been enough attention paid to the question of how producers will be able to manage the change thrust upon them and how long this will take. I think the federal government had better take the time to adequately—

The Speaker: The hon. member for Saint–Denis.

* * *

VISIT OF THOMAS MITSIOS

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): I rise today to welcome the member of Parliament from Saranda of the Republic of Albania on his first visit to Canada.

As a representative of the ethnic Greek minority and a member of the Human Rights Party, the purpose of his visit is to meet and exchange ideas with Canadian parliamentarians on the democratic principles and respect for minorities which make Canada a shining example.

We learned of the difficulties that opposition parties are facing and more specifically the plight of the leader of the opposition, Mr. Fatos Nanos, who has been imprisoned since September 1993 by the government. I will be calling on my colleagues to sign a petition for his release.

He has and will continue to work very hard in his native Albania for the betterment of conditions of the ethnic Greek minority and the improvement of Greek–Albanian relations. This is something we as Canadians should look forward to and encourage because it will contribute to the peace, stability and prosperity of this volatile region.

[*Translation*]

I welcome the member from Saranda.

* * *

[*English*]

THE ENVIRONMENT

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, the Minister of the Environment recently announced the release of the first summary report on the 1993 national pollutant release inventory. Over 1,400 companies across Canada reported their releases and transfers of 178 specified pollutants as required under the Environmental Protection Act.

The most significant feature of this inventory is that it is completely accessible to the Canadian public. For the first time in history, Canadians can find out directly from a full database of information about the pollutants being released in their neighbourhoods and communities or across the country. Canadians can access the information on this inventory through Internet either on their personal computers or they can use those available to them at libraries, schools and universities.

This important initiative will support the government's commitment to encourage pollution prevention by making both the public and industry aware of the quantities of pollutants being released all around us.

I encourage the government to continue to pursue this type of community right to know initiative.

* * *

NATIONAL ACCESS AWARENESS WEEK

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, this week all Canadians join together in celebrating National Access Awareness Week, the goal being to ensure the full participation of people with disabilities in all aspects of community life.

National Access Awareness Week works to remove physical barriers to community access for Canadians with disabilities. The week has evolved from awareness raising to a vehicle promoting concrete action to remove barriers to accessibility. Throughout Canada more than 1,000 communities participate in this important opportunity for celebration and commitment.

Through the partnerships of National Access Awareness Week, voluntary organizations, governments at all levels, local businesses and thousands of volunteers have been able to undertake innovative projects in communities all across the country. The results of these projects are dramatic. Barriers for people with disabilities are coming down.

• (1405)

The House of Commons, its members and staff are also celebrating this important week. Activities on Parliament Hill include promotional displays, leadership activities and workshops.

The Speaker: The hon. member for Bourassa.

* * *

[*Translation*]

CHILE'S INCLUSION IN NAFTA

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, following the Summit of the Americas in Miami in December, the Presidents of the United States and Mexico and the Prime Minister of Canada made a commitment to begin negotiations with Chile for

its inclusion in NAFTA. These negotiations get underway next week in Toronto.

We find it unfortunate that the American Congress appears to have made the elimination of the side agreements on occupational environment a prior condition to the adoption of fast track legislation.

The Government of Canada should make it very clear that Canada insists on the side agreements on occupational environment being an integral part of the negotiations with Chile. The people and the workers in the NAFTA member countries should enjoy reasonable working and environmental conditions.

The Bloc Quebecois supports Chile's inclusion in NAFTA and will monitor these negotiations with interest.

* * *

[*English*]

LIBERAL RED BOOK

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, have you noticed that the Liberals are no longer waving the little red book in defending their policies? There is a good reason. We did some research. At least four of the promises in the little red book have been broken already and we are only halfway through the mandate of this Parliament.

If props were allowed in this House, Reformers would be waving the red book as a symbol of broken promises, of a callous lack of integrity of a government that campaigned on being different.

Were the Liberals incompetent or just power hungry when they made promises Reformers always knew could not be kept, to replace the GST, raise immigration to 300,000, and many others soon to be paraded in front of this House?

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, in response to the needs of the small and medium sized businesses, the Federal Office of Regional Development—Quebec will shortly implement a new concept of strategic intervention with a focus on innovation, market development and entrepreneurship.

The FORD–Q will continue to promote the interests of all of the regions of Quebec with strong and efficient measures. The driving force behind small and medium sized businesses will become the pivotal point in the realization of the economic potential of each of Quebec's regions.

The FORD–Q will add a whole new dimension to its role by joining in community projects and providing strategic advice and assistance. In this context, its presence will be felt more than ever before in the very heart of the regions.

This is what we on this side of the House call an excellent example of the government's desire to promote economic growth. This is government at its finest.

* * *

[*English*]

GUN CONTROL

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, this morning the YWCA, the National Association of Women and the Law, the Canadian Federation of University Women and the Action Advocacy Department of B'nai Brith Canada reinforced their support for this government's efforts to increase safety for all Canadians.

Gun control is one measure to help address the issue of violence against women. In homes where violence occurs, if guns are present they become part of the abusive use of power, control and intimidation whether implicitly or explicitly. In almost half of domestic homicides, guns are the weapons of choice for men who kill their spouses.

Domestic homicides are not random acts of violence and the guns used are not smuggled or illegally owned. The registration system will permit police to issue and enforce a prohibition order to obtain these potentially dangerous weapons and to prevent these deadly situations.

These four groups know that Bill C–68 will not eliminate violence against women, but it will save some of their lives. I support their work and their position.

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ONTARIO PROGRESSIVE CONSERVATIVE LEADER

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, just a few months ago the leader of the Progressive Conservative Party in Ontario stood on the steps of the legislature and encouraged a Toronto area woman to quit her well paying job and go on welfare. Talk about the ultimate flip–flop artist who is now proposing workfare for welfare recipients. Is he forgetting that the ones who will suffer the most will be little children?

Perhaps he should look more toward the Liberal plan which outlines welfare reform initiatives designed to encourage and help people obtain permanent employment.

• (1410)

Furthermore, the Conservative leader's plan is based on a fairy tale 30 per cent tax cut which will take $750 million out of

the education budget. As one who realizes the importance of educating all our youth for tomorrow and not just the elite few, I have grave concerns and so should the electorate.

Ontario voters should reflect carefully on this election and not be fooled by the Tory nonsense plan.

* * *

[*Translation*]

RED CROSS

Mr. André Caron (Jonquière, BQ): Mr. Speaker, because the Red Cross hesitated and, in fact, neglected to test blood products for contamination by hepatitis C, several hundred Canadians were infected. This shocking conclusion was mentioned several times in the course of the proceedings of the Krever Commission.

The Red Cross waited until 1990 before using a test to detect hepatitis C, claiming that existing tests were not effective. In 1986, the United States was already using an indirect test to detect contaminated products. Hesitation on the part of the Red Cross between 1986 and 1990 potentially infected 10,000 Canadians.

These damning revelations are the latest in a series of horror stories which have surfaced at the hearings so far. In view of this information, the Krever Commission has a responsibility and a duty to identify those whose irresponsible attitudes led to the death of hundreds of human beings.

* * *

[*English*]

UPPER NICOLA INDIAN BAND

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today on behalf of the constituents of Okanagan—Similkameen—Merritt to inform the House that the illegal roadblock by the Indians at the Douglas Lake ranch is escalating. The Indians threatened violence when the RCMP tried to enforce the court injunction to dismantle the blockade.

My constituents and I have been here before. Last year, the minister of Indian affairs refused to get involved when a similar situation arose at Apex Alpine. The minister is again shrugging off his constitutional responsibility for Indians and lands reserved to Indians.

The minister has tried to excuse himself by declaring that he has received no request from the Indians to intervene. Yet, my constituents are desperately calling for intervention from this government.

I demand that the minister get involved. The roadblock has been declared illegal by the courts. The RCMP have been unable to dismantle the roadblock.

The Liberals must act. If this illegal blockade is not taken down, then the minister should exercise his authority and suspend federal funds to the Upper Nicola Indian Band.

* * *

SERGEANT THOMAS JOACHIM HOPPE

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, heroes are very much in demand nowadays. We all want a role model to emulate and when we meet one we feel very privileged.

Yesterday, the Governor General of Canada presented decorations for meritorious service to a number of Canadians who performed above and beyond the call of duty. Three of these people are from British Columbia.

Sergeant Thomas Joachim Hoppe from Vancouver was awarded the meritorious service cross in the military division for displaying outstanding leadership and ensuring the safety of his patrol and his mission while commanding a key observation post located between Serb and Muslim forces in Bosnia–Hercegovina.

Sergeant Hoppe was also awarded the medal of bravery for rescuing three Muslim children who were under direct fire near Visoko in Bosnia–Hercegovina.

Sergeant Hoppe is the first soldier since World War II to receive two of Canada's top military awards for exceptional bravery.

On behalf of all Canadians, I wish to congratulate Sergeant Hoppe and all recipients for their acts of bravery and for making all of us very proud of our peacekeepers.

The Speaker: The hon. member for Pierrefonds—Dollard.

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[*Translation*]

PARTI QUEBECOIS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, the PQ government has again shown how loyal and generous it is to those who pledge allegiance to the separatist cause.

Yesterday, we heard that Marcel Masse, former minister in the Union nationale government and former Conservative minister, had been appointed president of the Conseil de la langue française du Québec.

Some hon. members: Hear, hear.

Mr. Patry: This appointment came after his predecessor, whose term was supposed to run until next September, was relieved of his duties.

With this latest appointment, Marcel Masse joins a select group of people who directly benefit from the separatist obsessions of the PQ.

If it fails to convince Quebecers to vote for separation, the PQ will at least have helped to create jobs for the new supporters of "profitable separatism".

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

BOSNIA

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, in a report presented to the Security Council yesterday, the UN Secretary General proposed four options for the role of UN peacekeepers in Bosnia. In another development, the United States is prepared to send ground support troops to Bosnia to reinforce the mandate of the peacekeepers. Meanwhile, there is still no indication of Canada's real intentions with respect to redefining the mandate of the peacekeepers.

Could the Prime Minister tell us quite frankly which of the four options suggested by the UN Secretary General before the Security Council is the one preferred by Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Canada prefers the option recommended by UN Secretary General Boutros Boutros–Ghali. We believe the mandate should be redefined to make it possible for our troops to avoid the kind of position they are in now.

That is exactly what I said to the Secretary General when I spoke to him on Sunday. He preferred the option favoured by Canada.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, Canada is now negotiating with the Serbs to let Canadian soldiers volunteer to replace their colleagues who have been taken hostage so they can take turns.

Notwithstanding the noble proposition of our Canadian peacekeepers, could the government tell us whether these exchanges will be restricted to hostages who are ill, because otherwise, it would be tantamount to agreeing that the Serbs have the right to take hostages?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, obviously, the soldiers who are there and who know their colleagues are being held a few kilometres away from the base are trying to find a way to put an end to this situation. They are trying to find a way to end the deadlock. Last year, the situation went on for a few weeks, and the local commanding officer managed to find a solution that was acceptable to all parties.

For the time being, I would rather let the local authorities decide on the best way to obtain the release of the hostages or at least provide for maximum security, under the circumstances.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, I must say we are far removed from the days when Lester B. Pearson was a household word in international relations.

Are we to understand that Canada has no clearcut policy on redefining the mandate of the peacekeepers in Bosnia because it no longer has any influence and has ceased to show leadership among peacekeeping forces on the international scene, now that it is not even a member of the contact group and has been relegated to the role of a bit player, merely following the cues given by other countries?

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just explained that the position taken yesterday by the Secretary–General of the United Nations is exactly the one we proposed to him over the weekend. I personally had a discussion with him on Sunday morning.

We are using all the channels available to us. In that case it is evident that the position of Canada was integral to reaching a conclusion. It is not one that is supported by all participants. We are in constant contact with the United Nations.

I have to say that the Secretary–General of the United Nations recognizes that of all the forces available anywhere in the world, when Canadians are there he can always rely on them because they are the best. He is listening to Canadians as he has done in that case.

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[*Translation*]

GROSS DOMESTIC PRODUCT

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Prime Minister. The gross domestic product fell for the second time in as many months. According to Statistics Canada, the GDP fell by 0.2 per cent in February, and by 0.7 per cent in March.

• (1420)

It would appear that the economic slow–down is due to a slump in exportation and domestic consumption. The situation is largely the result of a monetary policy which favours high interest rates, and is not aimed at reducing unemployment.

Why is the government persisting in pursuing the same monetary policy as its predecessors, when it knows that it is bad for the economy and for job creation?

[*English*]

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I remind the hon. member that the GDP in the first quarter of this year rose, it did not fall. In only two months of the quarter there were minor declines in the GDP.

These numbers do have variations and they are not indicative of a recession as yet. I remind the hon. member that our economic programs are on course.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, why is the government refusing to correct its aim, when the drop in the gross domestic product is signalling an economic slow–down, when its present policy flies in the face of its election promises regarding job creation, and when there has been no net job creation during the past five months?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will point out to the official opposition that, looking at these statistics, it is obvious that something happened which hurt the economy. We had a two–week long transportation strike which caused the economy to slow down.

At that time, we told the Bloc Quebecois that by refusing to pass the government bill, it was causing an economic slow–down. Today, the economy is paying for the Bloc's irresponsibility.

* * *

[*English*]

ABORIGINAL AFFAIRS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government's mismanagement of aboriginal affairs in British Columbia has now brought tempers to a boil at Douglas Lake. The Upper Nicola Band is blocking the road to the Douglas Lake ranch and the RCMP is worried that someone will get seriously hurt or killed.

The blockade is just the tip of the iceberg. What we do not want are three or four Okas in B.C. this summer, yet the Minister of Indian Affairs and Northern Development refuses to address this and other similar situations.

What is the government prepared to do to resolve the standoff at Douglas Lake before things get out of hand?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank the hon. leader for his question.

As far as jurisdiction is concerned, this demonstration is clearly off reserve and is not within federal jurisdiction. I checked and the Upper Nicola Band does not have a specific claim which would put us in the picture. It is not a part of the B.C. treaty process. On these three grounds it is clearly provincial. However, if requested by the province, we are prepared to go in and do whatever we can to facilitate.

I am encouraged by several things. First, several significant aboriginal leaders have volunteered to help. The hon. member of the Reform Party in whose riding this is has talked to my executive assistant. He has offered some help. I am prepared to delegate someone if Mr. Cashore asks for help.

The other encouraging thing although the situation could get volatile is that Joe Gardner, manager of the Douglas Lake cattle ranch, the person who is most involved, has told the various ranchers to sit still. He has insisted that the dispute be resolved peacefully and we agree with his position. Hopefully we can get it resolved.

[*Translation*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Liberal red book contained promises which led to unreasonable expectations on the part of the aboriginal people. In Quebec, the Band Council of Kahnawake, with the help of Frank Vieni, one of those in charge of Indian Affairs during the Oka crisis, has presented to the Department of Indian Affairs a land claim asking for millions and even billions of dollars. The co–ordinator of the project for the department, Kate Fawkes, said that the document contains some real breakthroughs.

• (1425)

Is it the policy of the department to encourage claims of such a large scope when it knows quite well that it will be impossible to meet those expectations?

Some hon. members: Hear, hear.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I believe the hon. member is wrong.

[*English*]

Other than the hon. leader making a commendable effort in French, I assume the question is: Are we trying to lift up expectations? Are we trying to settle? Are we trying to do the reasonable thing?

We are trying to do the reasonable thing. We are trying to do what most Canadians want us to do, to deal honourably and to find just and reasonable solutions. Merci bien.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if there is anything that has soured relations between aboriginal peoples and governments it has been inflated expectations and broken promises.

The current minister appears to be going down the same road as his predecessors. The Liberal red book promises on land claims and self–government raise aboriginal expectations sky high, and then the government simply cannot deliver.

Would the minister not agree it would be better to make one or two simple commitments to aboriginals that he could keep rather than make inflated promises to 600 aboriginal bands that he is simply unable to keep at the end of the day?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as the hon. member behind me says, Liberals are optimists, not pessimists. That probably describes the difference between Liberal members and Reform members.

We did an assessment last night. One whole section of the red book deals with aboriginal issues. It has been a difficult year, but I can say to the House that on every promise we made in the red book there has been medium to moderate to significant progress made across Canada.

It makes me proud as a member of the Liberal government and the Liberal Party that we have kept our word and done our job in difficult circumstances.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Prime Minister.

A report from Statistics Canada shows a new decrease in the number of unemployed people covered by unemployment insurance. In 1990, seventy–seven per cent of the unemployed were covered by unemployment insurance, whereas in March of this year the proportion was down to 49.7 per cent. This shows how much the reform introduced by the government in its February 1994 Budget is hitting the unemployed.

Considering that the unemployment insurance plan is helping only half the unemployed, does the Prime Minister not realize that his reform is increasing the poverty problem in Quebec and Canada and that he must rescind the cruel decisions taken in February 1994?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the hon. member for her question. It raises the very important issue of unemployment in Canada, which the government takes quite seriously. It is for this reason that through various programs initiated by the government over 460,000 new full time jobs have been created in Canada.

I also bring to the attention of the hon. member that reading the report would make it very clear to her that the reason there are fewer people on unemployment is job creation.

In Quebec over 110,000 full time jobs have been created. Also in the province of Quebec over 86,000 people did not exhaust their UI benefits prior to gaining new employment. That to me is positive change for the people of Canada.

• (1430)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, this is very hard to swallow since there has not been any net job creation for the last five months, since the new report on social assistance shows that there has been a further increase despite the fact that we are supposed to be in a period of prosperity, since irate unemployed are confronting members everywhere.

My question is for the Prime Minister. Since, to this day, the Unemployment Insurance Fund has a surplus of $4 billion, due to the cuts and the 15 per cent reduction in the money distributed despite an increase in applications, does the Prime Minister not find it indecent that his Cabinet is studying a plan to cut unemployment insurance by a further $700 million next year?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member has a very suspicious way of looking at statistics.

The fact is that because of the changes we have made to UI, over 280,000 low income families in this country are benefiting through a differential benefit rate of 60 per cent.

I understand the point made by the members of the opposition, but I think there comes a time in this House when they should be applauding positive measures for people.

* * *

BOSNIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, as we speak, the U.S. and Europe are sending squadrons of F–14 Tomcats, F–18 Hornets, Harrier jump jets, Cobra attack helicopters, an amphibious battle group, and even U.S. nuclear powered, fast attack submarines. Mr. Speaker, does this sound like a humanitarian peacekeeping mandate to you?

Given this rapid escalation, how can the government assure Canadians that our troops will not be inextricably drawn into a war for which they are neither equipped nor mandated?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we welcome the departure in U.S. foreign policy to perhaps put ground troops into the former Yugoslavia under extreme circumstances to help with the redeployment of UNPROFOR forces. We welcome that possibility. We would like to know how they would be deployed.

With respect to the British and French contingents, the British defence minister has said that those forces will be part of an effort to protect British forces that are in Bosnia, which are

currently more exposed than the Canadian forces but would be subject to UNPROFOR command and therefore would be available for the protection of all.

This Saturday the defence ministers of the NATO contributing countries will be meeting to discuss other ways we can reprofile the positioning of military forces in Bosnia with respect to fully discharging the UNPROFOR mandate.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, Lord Owen, the chief European negotiator in Bosnia, who is himself withdrawing from this war torn country, argues that if there is no peace settlement by autumn then UN forces will be forced to leave Bosnia.

Given the circumstances and that Canada's commitment to Bosnia ends in September, will the government assure Canadians today that after three and a half long years in Bosnia all our troops will be home with their families by fall or sooner?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, with respect to Lord Owen, we do regret very much that he now feels unable to continue with his duties. He has done outstanding work, but it is frustrating and very demanding.

However, we still believe that a negotiated settlement to this problem is the answer, not a military solution. We will not be moved by any deadlines set by anyone, whether it is the Bosnian Serbs or any other party.

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[*Translation*]

SINGER

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, my question is for the Minister of Labour.

Former workers at Singer are arguing that the federal government did not fulfill its contract obligations toward them because it gave the company, instead of them, the Government Annuities Account surplus, that is a part of their pension funds that it was responsible for administering.

Does the Minister of Labour not agree that the contract binding the parties between 1946 and 1957 is abundantly clear and that the federal government had an obligation to pay the surplus out to the workers and not to Singer?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, all the federal regulations have been applied in this matter.

• (1435)

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, I have a lot of difficulty accepting the minister's answer. She is responsible for the No Committee in Quebec and is also my former neighbour in the riding of Saint–Jean. The average age of the 600 workers at Singer is 80 years and 250 of them are already dead. So, answers are needed urgently and must be specific.

When is the minister going to commit to table in the House all the documentation with respect to this issue, so that we can assist these workers in their search for justice?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, within the labour program of the Department of Human Resource Development, we always work to make sure that the rights and responsibilities of workers, as well as employers, are respected, and in so doing, we apply the Canada Labour Code with respect to the parties involved. That is the day–to–day job of the labour program officials.

* * *

[*English*]

GOVERNMENT APPOINTMENTS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, my question is for the justice minister.

Yesterday I pointed out that three law firms with very tight connections to the revenue minister had been appointed. The revenue minister has said that he was not troubled by the appearance of patronage, saying: "I am not concerned. I think merit is the primary consideration for an appointment".

Does the justice minister not think that a $4,000 contribution to the revenue minister's election campaign might have been the real consideration?

The Speaker: My colleagues, it would seem to me that the question does not deal with the administrative responsibility of the government. It is more of a party matter.

That question I would rule out of order unless the member can rephrase the question so that it deals with the administrative responsibility of a minister of the government.

Mr. Abbott: Mr. Speaker, I can redefine it this way. In making appointments of law firms to work for the justice department, my understanding is that the justice minister would go to the minister or some Liberal in that area.

Does he not think that when considerations such as I put forward come into play it calls into question the ability of the justice department to be able to put the very best law firms at the beck and call of the Canadian people, instead of it going to the drug dealers who can afford to buy the best?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, when the government goes to the legal profession to hire agents to help us with legal cases the fundamental criterion is competence and merit. That is as true in

British Columbia as it is in Newfoundland and as it is here in Ontario.

I take this opportunity to tell the hon. member that during the last 18 months this government has made a number of significant changes in the way we retain agents in the legal profession to do work for us. They are changes that are very much in line with the principles he has described.

For example, there has been a significant decrease in government expenditures on agents. Spending was reduced by 25 per cent in 1994 compared to 1993, when the other government was in power. The number of agents was reduced over the country from 550 to 400. Agents have been replaced by staff counsel—

The Speaker: A brief question, the hon. member for Kootenay East.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the fact of the matter is that an experienced undercover officer has said that this is a complete and utter farce. He has said that this is a definite blow to drug enforcement in the area we are talking about.

Did the justice minister have any prior knowledge of the excessive contributions to the revenue minister in the election campaign prior to making that decision?

The Speaker: The question is out of order.

* * *

• (1440)

[*Translation*]

AIR NAVIGATION

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is for the Minister of Transport. Transport Canada is about to sell the air navigation system to a non–profit organization. The minister indicated that the organization would not be subject to all provisions of the Official Languages Act. Quebec air transport associations have warned the minister against a possible deterioration of French–language services, as they feel that his plans do not do enough to guarantee the use of French in Quebec airspace.

What does the minister plan to do to ensure that French language services are maintained in the air navigation system, thereby fully meeting the demands of Quebec air transport associations which have expressed concern about the fact that the minister may not be imposing adequate requirements?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, we intend to table before this House a bill to authorize the commercialization of the air navigation system. I can assure my hon. colleague that every provision of the Official Languages Act currently applying to this system will be maintained in the new structure.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I hope this goes for the Magdalen Islands and the Lower North Shore of Quebec as well. So, to prevent a decrease in French language services in Quebec airspace and ensure honesty on the part of the future air navigation system operator, does the minister undertake to submit to public scrutiny, at the Standing Committee on Transport, the whole process and the English only charter drafted in secret by his department for the new non–profit organization?

Hon. Douglas Young (Minister of Transport, Lib.): First of all, Mr. Speaker, I want to assure my hon. colleague that, as I have repeated time and time again, every existing provision aimed at protecting the interests of people who speak either official language of Canada will be maintained in the new organization.

As far as ensuring that all views are represented and that all concerned can be heard, we will certainly see to that. I would like to point out that it is practically unheard of to have the support of every sector in the air industry, as we do for commercializing the air navigation system in Canada. I hope that my hon. colleague will come forward with any suggestion he may have, because we intend to have a totally transparent process.

* * *

[*English*]

STUDENT EXCHANGES

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, my question is to the Parliamentary Secretary to the Minister of Human Resources Development.

It is critical in an increasingly global economy that the Canadian workforce become more knowledgeable about other cultures. Student exchange programs and recognition of international credentials could facilitate the acquisition of this knowledge.

What action has the government taken in this area so vital to the economic and social well–being of Canada?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I want to thank the hon. member for Winnipeg North for his question. I know he has worked very hard to improve Canada's recognition of foreign credentials.

I am very pleased to report to the House today that the Minister of Human Resources Development, along with the Minister of Foreign Affairs, this morning at a conference in Alberta on NAFTA announced the establishment of a three–year program for North American mobility in higher education. The program will involve approximately 60 Canadian institutions and the private sector. Thanks to this program, 400 students will

be able to spend periods of study in the U.S. and Mexican post–secondary educational institutions.

This is yet another example of the Liberal government's global and forward looking policies.

* * *

AIR–INDIA DISASTER

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, two years ago, while Leader of the Opposition, the Prime Minister promised that the Liberals "will continue to press the government to create a royal commission to look into the Air–India disaster".

• (1445)

Yesterday while the RCMP was announcing a $1 million reward for information about the bombing of Air–India, the solicitor general advised that a royal commission will not be held while a criminal investigation is still under way.

My question for the Prime Minister is was his earlier promise to create a royal commission into the bombing of Air–India solely to garner votes?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): No, Mr. Speaker.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, everyone in the House wants to see the murderers brought to justice. Yesterday's announcement of a $1 million reward is being viewed as a further delaying tactic to avoid a royal commission.

Will the solicitor general give the House his assurance that a royal commission will be called and a deadline for creating this commission, criminal charges or no criminal charges?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the announcement of the reward yesterday was made by the Royal Canadian Mounted Police representing the professional judgment of the mounted police as to the appropriate steps taken to advance the investigation to a stage where hopefully charges could be laid.

I do not think it would be appropriate for me to replace the professional judgment of the RCMP on this matter with my own by setting deadlines. The hon. member should know better than to make such a suggestion if she is serious about bringing the criminals to justice.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In the coming months, four groups will consider the future of the CBC: the heritage committee, the Juneau committee, the McKinsey firm from the U.S., and the Canadian Conference of the Arts. Even before these studies are completed, the CBC is already cutting staff, in particular at its library in Montreal.

Does the minister not agree that these cuts are premature, since officially he should wait for at least two of these reports before making a decision on the CBC's future, and that a moratorium should therefore be imposed on the proposed cuts?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the CBC's financial situation results from a series of budgets that go back a number of years. It is quite normal for the CBC's president and managers to make adjustments in line with budget needs.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, does the minister agree that the alacrity with which the CBC's senior officials are cutting services without knowing what the committees' findings will be suggests that we can expect more drastic cuts in the coming years?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have full confidence in the CBC president's ability to manage his affairs. What I find surprising is that our friends from the Bloc Quebecois do not seem interested in the fate of Radio–Québec, which is being cut to pieces.

* * *

[*English*]

CANADIAN WHEAT BOARD

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, regarding allegations of illegal dumping by the Canadian Wheat Board we now have confirmation from the RCMP in both Winnipeg and Ottawa that no one from the solicitor general's office ever asked it to review these allegations.

Why did the solicitor general write to the member for Lisgar—Marquette on March 28, 1995, saying the RCMP had been asked to investigate this matter?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I think my hon. friend is misinterpreting my letter.

My office took the material given to it by the member's colleague. According to our practice it was transmitted to the RCMP for such action as it considered appropriate.

It has not been my practice or custom to give direction to the RCMP on matters of investigation. Information was provided to me by the commissioner of the RCMP who reviewed the matter and decided that on the basis of that material there were not grounds for a criminal investigation. That information was put in my letter to the hon. member's colleague.

The whole thing is quite consistent with what I said in my letter. I regret my hon. friend keeps pursuing the matter in spite of the totally inappropriate conduct of his colleague. Instead of pursuing the matter he should get his colleague to apologize.

• (1450)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the RCMP has reported the matter was not even brought to its attention. The RCMP did not even receive a file on the matter from the solicitor general and was not even notified of the incident.

How can the solicitor general tell the House he pursued the matter when the RCMP was not notified that it should look into it to see whether it was worthy of an investigation?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the RCMP will provide further information about the way it dealt with the matter.

I put on record an accurate quote from my letter of March 28: "The commissioner of the RCMP has informed me that the commercial crime section in Winnipeg has reviewed your", the hon. member for Lisgar—Marquette, "allegations and the RCMP has concluded there is no basis to support an investigation into the Canadian Wheat Board. However, the commissioner has informed me that the RCMP is willing to examine any new information you might have to support these allegations".

I transmitted to the hon. member information provided me by the RCMP and I think if the hon. member and his colleagues had any respect for Parliament they would apologize for the unwarranted accusation.

If they will not apologize and withdraw their unwarranted accusations, everything they say about their respect for Parliament and making it a better place is nothing but a sham.

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THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

There are disturbing reports on airborne pollution in the form of dioxins, furans and hexachlorobenzenes emitted through the incineration of medical waste, sewage sludge and cement kilns burning hazardous waste.

Does the government have plans to regulate carcinogenic emissions from incinerators and are federal guidelines for human exposure to dioxins adequate to protect human health and ecosystems?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the 1995 guidelines by Health Canada on the acceptable level of dioxins and furans for human exposure are under review.

We are extremely concerned about activities south of the border which could put the health of Canadians at risk. In Canada we already have an acceptable smog level about 30 per cent lower than the level in the United States, but at the same time the Americans are looking at raising their smog level.

The issue of dioxins and furans is under review here but we also need to examine some transboundary issues to ensure long range pollutants do not in any way affect the health of Canadians currently being put at risk because of decisions being made by the U.S. Congress.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT CONTRACTS

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Natural Resources.

In answer to a question in this House, the Deputy Prime Minister said that this government could not be held responsible for the iniquity of previous governments regarding R&D. Yet, since October 1993 the minister of Natural Resources has granted less than ten per cent of external R&D contracts to firms or research centres of Quebec.

How does the minister explain that Quebec received less than 13 per cent, or half of its fair share, of external R&D contracts from her department since the Liberals took office?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me reiterate, as did the Deputy Prime Minister last week when this issue first came up, the government awards contracts on the basis of identified research needs.

• (1455)

Let me reassure the hon. member my department and, I am sure, every other department in the government is committed to research in Quebec. Perhaps I could share with the hon. member some examples.

My department makes a significant contribution to Forintek technology. My department makes a significant contribution to the research into fusion. We make a significant contribution to the Canadian Centre for Geomatics in Sherbrooke. We also make considerable contributions to the Varennes laboratory. My department has a significant research practice in Quebec.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, even if we mentioned the whole list, it would still be only 13 per cent of the total.

Some hon. members: Hear, hear.

Mr. Crête: Quebec is already being robbed of $650 million a year in expenditures by the Department of Defence. The Department of Justice awards only one per cent of its external contracts to Quebec, and now the Department of Natural Resources refuses to give Quebec its fair share of R&D contracts. Can the minister explain why Quebec is once more being robbed of its fair share?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, the Deputy Prime Minister pointed out to me that in addition to those facilities and contributions there is another important one. In the city of Montreal this government supports the Canadian Pulp and Paper Institute, the centre of pulp and paper research.

If the member wants to talk about percentages, if we exclude megaprojects which are sunset projects and which will be taken from my budget in the year 1996–97, and if we exclude the national capital region, the percentage of expenditures in my department to Quebec is 25, representative of the population.

* * *

EMPLOYMENT EQUITY

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, my question is for the President of the Treasury Board.

I quote from two different red books. The first red book states the Liberals will implement changes to strengthen the Employment Equity Act. The second red book states the Employment Equity Act is widely regarded as adversarial, bureaucratic and expensive to administer.

I am wondering if the minister can tell me if he remembers which quote is from his red book and which one is from the Ontario provincial Liberal red book. I wonder in which direction the government is heading.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are both heading in the same direction in terms of support for employment equity. We quite clearly support employment equity in the government. It is part of our priority and we will continue to implement it.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I will leave it to the electorate to determine if they are heading in the same direction.

The red books do not agree which shows provincial and the federal Liberals are divided on this issue. Provincial Liberals want to reduce employment equity while federal Liberals want to make it stronger.

Let me put the question bluntly to the minister. Does he agree with the provincial Liberal leader's policy on employment equity?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, what is to the point is this government's policy on employment equity.

The member opposite might want to have a look at Mike Harris' policy on this if that is what he is leaning toward supporting. It is certainly not an employment equity policy at all.

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GASOLINE PRICES

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the Minister of Industry.

My colleague from Regina—Lumsden has continually in the House asked the minister to take action on the pricing of gasoline. No action has been taken and yet over the past few days we have seen the price of gasoline go up again by as much as four cents a litre with no apparent economic justification. These new increases could cost the Canadian taxpayer up to a billion dollars.

In light of these new increases would the Minister of Industry now take action to protect consumers and immediately call an inquiry into price fixing at Canadian gas stations?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, as the hon. member knows, there has been a series of investigations by the director of investigations and research under the Competition Act with respect to this issue. Prosecutions have been launched. Some have been before the courts. As she knows, it is my belief that competition is the best way to control prices.

• (1500)

I know it is part of NDP dogma to regulate prices. Perhaps in her next five-year plan she will explain what she sees for fuel prices over the next five years. I do not think that is the way to get the lowest prices for Canadian consumers. We need very tough and effective enforcement of our competition laws, and that is what we propose to deliver.

CONTRAVENTIONS ACT

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, my question is for the Minister of Justice.

When the minister spoke to constituents in my riding of Parry Sound—Muskoka last summer he assured them a boating infraction ticketing procedure would be in place by June of this year to protect boaters on waterways in my riding and across the country.

What plan does the minister have to effectively enforce boating regulations on Canadian waterways this summer?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I well remember the delightful day I spent in the hon. member's riding last June. I remember the very pleasant meeting I had with the Muskoka Lakes Boating Association. I also recall that we discussed the Contraventions Act which is a statute passed in October 1992 by Parliament but not yet proclaimed in force.

The idea behind the Contraventions Act is to permit the enforcement of federal statutes by a ticketing scheme administered by officials at all levels of government.

We had hoped that statute would be proclaimed in force this month but through discussions with the provinces we have found that changes to the statute will be necessary in order for us to take advantage of the provincial contraventions procedures and save the taxpayers money. Therefore it will not come into force this June.

I can say that officials of the federal Department of Transport are in discussions with provincial authorities to see that there is effective supervision and enforcement on lakes this summer so safety of boaters is assured in the meantime.

* * *

PRESENCE IN GALLERY

The Speaker: Colleagues, I wish to draw to your attention the presence in the gallery of Thomas Mitsios, member of Parliament from the Republic of Albania.

Some hon. members: Hear, hear.

The Speaker: Colleagues, before the business question for Thursday I have notice of a point of privilege from the hon. member for Kootenay East.

* * *

PRIVILEGE

QUESTION PERIOD

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I rise on a point of order. Never before have the rights—

The Speaker: So that I understand, is the hon. member rising on a point of order or a point of privilege? Would he please indicate.

Mr. Abbott: Mr. Speaker, it is my error. I rise on a point of privilege.

Never before have the rights of members been so blatantly abused as they were today. A question was asked that went directly to the administration of government concerning the awarding of legal contracts for acting crown prosecutors. While I accept the fact that the allegations of patronage in the awarding—

The Speaker: Colleagues, I hope the hon. member for Kootenay East will weigh very carefully the words he is using. I believe from the words he has used the hon. member is questioning a decision taken by the Speaker of the House of Commons.

When the hon. member uses such words it calls into question not only the decision of the Speaker but also all of the House itself, as embodied in me are the rights and privileges of all members of this House.

That the hon. member is frustrated because his question was ruled out of order is to me understandable. The House has empowered me to make rulings such as these. The rulings I make are never taken frivolously and never taken to give advantage to one side or the other. My sole duty here is to see that the rights and privileges of all parliamentarians are adhered to and respected. That is what I try to do in this chair.

• (1505)

When the hon. member stood for his first question, I judged in that particular case he was referring to party matters. I permitted the hon. member to rephrase his question, which he did. In my judgment the question of the hon. member was in order and therefore I permitted it.

When the hon. member used words in the second question which I thought were leading down the same path as the first, I intervened.

I appeal to the hon. member who is standing on this point of privilege to please take into consideration the great weight that his words have in here. If the judgment of the Speaker is to be called into question, surely it is not because he is not being—excuse me if I do not use the right word here—responsible. But if the hon. member would like to speak with me in my chambers, I would be very happy to speak with him.

My judgment on that particular question stands. I would appeal to all hon. members to cease and desist now on this point of privilege because you are attacking your Speaker. In my view, I do not know that we can long operate like this.

I would appeal to the hon. member that if he wishes to speak to me I would more than gladly entertain him in my chambers.

If the hon. member is rising on the same point of privilege, again I would caution and appeal to the hon. member for Kindersley—Lloydminster to choose his words very carefully.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, on this point of privilege, I would like the House to look at citation 409 of Beauchesne's, clause 6 which says:

> A question must be within the administrative competence of the Government. The Minister to whom the question is directed is responsible to the House for his or her present Ministry and not for any decisions taken in a previous portfolio.

The member for Kootenay East in his question said: "An undercover officer said it is a complete and utter farce. This is a definite blow to drug enforcement"—

Some hon. members: Sit down.

The Speaker: In response to the hon. member for Kindersley—Lloydminster, I am aware of the citation. I am aware of the rules that govern the House of Commons. It is because I am aware of these rules, as best I can I am trying to carry them out.

If the hon. member for Kindersley—Lloydminster would care to pursue this point in my chambers, I would be more than happy to listen.

If the hon. members for Kindersley—Lloydminster or Kootenay East after discussions with me feel that it is so imperative to pursue this in the House then I am the servant of the House and as such I would be prepared at that time to at least consider a point of privilege. As of now, with regard to this matter, I would again appeal to both hon. members to see me in my chambers because I am not prepared to pursue it at this time any further.

* * *

• (1510)

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, as is our custom, I would like to ask the House leader if he could tell us what the order of business will be next week.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to present the weekly business statement.

Tomorrow the House will consider third reading of Bill C–75, the farm loans legislation and all stages of Bill C–81 respecting the Buffalo–Fort Erie bridge. I understand there is agreement to complete both these bills tomorrow.

On Monday and Tuesday, we will consider Bill C–76, the budget implementation bill and Wednesday shall be the final allotted day in the present supply period.

Mr. Hermanson: Mr. Speaker, on a point of order, I wonder if the hon. government House leader would inform the House what the government's intentions are in regard to Motion No. 24.

Mr. Gray: Mr. Speaker, I will have to check the Order Paper and get back to my hon. friend. If he would like me to say something to be recorded in *Hansard*, I will rise on a point of order, or my parliamentary secretary will, and provide the information.

That motion is to set up a special joint committee of the House and Senate to consider a code of conduct for members and senators. Certainly it is our desire to have such a committee set up.

If the hon. member now wishes to have such a committee set up as does his colleagues, then I will be happy to consult with him, or my parliamentary secretary will, to find the appropriate time to bring that debate quickly to an end so the work of the joint committee can begin.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—FEDERAL–PROVINCIAL JURISDICTIONS

The House resumed consideration of the motion.

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I must say it is with mixed feelings that I rise today in the House to discuss a motion tabled by the official opposition member for Richmond—Wolfe.

By mixed feelings, I mean that, looking at the motion and the four bills mentioned therein, I sincerely do not understand a thing. The four bills that, according to the official opposition, are extremely centralizing are in fact and without a doubt excessively decentralizing.

I have mixed feelings because, as I have said before in this House, I believe that the official opposition can do a good job if it acts in good faith and stands up for its constituents' interests. Once again, I must admit these people are unable to rise above strictly partisan interests. The motion under consideration is another astonishing example of this fact.

• (1515)

I have mixed feelings because, on the other hand, I have the opportunity to rise in this House and express myself on what is

Canadian federalism, what it has been for years, and what it will be in the future with our government. But before I go on, let me say that the Bloc Quebecois does not seem to be following a program of its own but, rather, a program dictated by the Quebec National Assembly.

Take, for example, the motion tabled three or four weeks ago to support the claims made by the Quebec Minister of Intergovernmental Affairs. That motion was essentially related to three claims submitted to the federal government by the Quebec government. There again, I had the opportunity to participate in the debate on the motion and show this House to what extent Bloc members are biased and do not want the federal system to work.

But I digress. On the one hand, you have the extremist doctrine of the Bloc Quebecois, which says that, if you look at the evolution of the federal system since 1960, you will see that we are headed for an extremely centralizing system which will soon leave very little power, if any, to the provinces. Yet, since our Liberal government came to office, there have been striking examples showing that federalism can evolve in such a way that the wishes of all the governments involved, both federal and provincial ones, can be respected.

Our federal system compares favourably with other federations in the world. For example, consumer spending by the provincial administrations is 3.5 times higher than for the federal government. That says a lot about whether we are a centralized or a decentralized federation. It indicates that the Canadian federation is in fact more decentralized than that of many other countries, including Switzerland, Germany, Australia and the United States.

As regards the fact that the Canadian federation is a model of decentralization, allow me to quote a statement made in 1977, at the University of Edinburgh, by a famous person. That person agrees with me and this government, since he clearly said that the Canadian federation is decentralized. The comment, made in English, was as follows:

[*English*]

> And because rather often in Canada we tend to talk of the abusive centralized powers of Ottawa we tend to forget that in reality Canada is highly decentralized.

[*Translation*]

That was reported in the *Globe and Mail* of May 9, 1977, and the words came from none other than Quebec's Premier, Jacques Parizeau, who maintained that Canada was a model of decentralization. There you have an excellent example of double standards. You have an example that shows clearly that these people can say one thing abroad, and quite another when addressing Quebecers, when they are concerned about their own interests and their own objectives.

Besides, one only has to think of Mr. Parizeau's speech to the permanent council of French–speaking countries, on his last visit to Paris. When you listen to that speech, and consider Mr. Parizeau's comparisons of Quebec, you are not proud to be a Quebecer. Quebecers are greater than that, they are energetic, they can take their place in Canada, and they will take their place internationally. Mr. Parizeau's speech on the international scene does not reflect this energy. As a Quebecer, I am upset by such speeches.

• (1520)

You know that members opposite talk about centralizing federalism. At the beginning of my speech, I said I would have the opportunity to review a number of issues which clearly show that our federation is an extremely decentralized federation. Take for instance the immigration issue. The immigration agreement is a striking example of good co–operation between Quebec and Ottawa, where the province of Quebec was given more power to select immigrants.

Some argue that it does not work, but I could give you other examples, including the status of some provinces among French speaking countries. Did the province of Quebec or did New Brunswick belong at the Francophonie table? No. The federal government reached an agreement with both provinces so that these provincial governments would be considered guests among the French speaking countries and be able to fully take part in the events. This is another remarkable example of a flexible federation, but mostly of a respectful one.

The members opposite are turning a deaf ear, saying that it does not work. Let me give you some more examples. Direct collection of the GST is another good example of federal–provincial co–operation, which has an extremely positive impact on the population and makes the collection of that tax easier. This is another striking example of decentralization.

Members opposite refuse to hear anything positive and simply say that federation is not working. However, we could give them many more examples which would all indicate that our federation is flexible. They do not want to understand anything, so let us give them more examples. The St. Lawrence 2000 Agreement was signed with the province of Quebec. My colleagues opposite are leaving the House or making fun of what I say, mostly because the truth hurts. When you give them examples, they refuse to listen and leave the House. The St. Lawrence 2000 Agreement is an outstanding example of co–operation between Quebec and Ottawa. This extremely positive agreement was signed so that the St. Lawrence could get cleaned up. It is an agreement that eliminates overlap and that is beneficial to the people of Canada.

And that is not all. Some will say that is not enough. The Canada–Quebec Infrastructure Program. Is there another example of a program that has been implemented in record time like this one has? It took only four or five months to put this program in place. This program, involving the three levels of govern-

ment, municipal, provincial and federal, is aimed at setting in motion incredibly vast projects that have direct repercussions on the people and that serve the interests of the people.

Some will say that that is not all good and there is no decentralization of powers within the federation. Let us look at another example, the Communications Québec agreement, which allows the use of Communications Québec displays to advertise products available from various federal departments. This agreement exists, it has been signed, it works well and its ultimate goal is efficiency. We still have a window on the street but we can save some money.

Some will say that it is not good enough. That they are not impressed. They will say, to try and mislead Quebecers, that the system does not work despite all this.

• (1525)

There are many more examples. Let us take the Canada social transfer. This is a remarkable example where the official opposition has simply done an about–turn.

Members will remember that, before the budget was tabled, we were told that all programs were centralized in Ottawa, that Ottawa was controlling funds for post–secondary education, health and social programs and that there should be a global social transfer. That is what we were told before the budget.

Now to Mr. Martin's budget. We are giving the Canadian public—not just Quebec, but all of the provinces because they all requested it—the Canada social transfer, as a means of making the federation progress, as a means of showing that the system is flexible, as a means of bringing the management of funds closer to the people and of ensuring that decisions regarding spending will be more sensitive to the needs of the people.

Now that the Canada social transfer exists, now that it is reality, we are being told that that is not good, that the Minister of Human Resources Development will try to set national standards unilaterally. Just another example of the inability of the people across the way to rise above partisan interests and to seriously look at what the finance minister's budget really offers to Quebecers and Canadians.

In fact, the Canada social transfer is a Canadian decentralization model. As part of this initiative, the Minister of Human Resources Development has invited all provinces to participate in discussions with the federal government regarding national standards which will apply coast to coast.

Obviously, this bothers Bloc members. This bothers them because, if this continues, obviously the people of Quebec are going to realize, and they already do realize, that the Canadian federation is working well. This bothers them because if it works too well, like it is now, their pipedream of separating is simply going to vanish into thin air.

There has been much talk about national standards. As you know, the people across the way decry national standards. I worked on the social program reform committee, and I must say that nobody in Canada, even Quebecers, is against national standards. However, what people are against is the federal government unilaterally setting those national standards.

Times have changed. The federal government has said repeatedly: "We want a flexible system. We want to work together with all the provinces and, because we are a country, to develop national standards that will respect the identities, wishes and needs of the provinces from coast to coast".

Another example of decentralization is the Human Resources Investment Fund that will come into force in April 1996. It is a good example of how we respect the wishes and the will of the people. There was a reference to manpower issues and to the need for decentralizing manpower services. There are two schools of thought. There is the position taken by the Parti Quebecois in Quebec City and the position taken by the public, which is the one we have chosen.

The Parti Quebecois takes the position that everything related to manpower development and manpower training should be theirs alone because they are the experts and know best what is needed. On the other side we have the public that wants to see a partnership between various levels of government that will have access to flexible funding, as opposed to rigid programs, funding that organizations at the local level will be able to manage according to genuine need.

I need hardly add that the course of action chosen by this government is clearcut, straightforward and non–partisan.

• (1530)

I am happy to say that this is the route the people wanted us to take. This is what the human resources investment fund is about. It will ensure that local agencies will be able to manage very flexible funds according to the real needs of the community.

There is another thing. Those opposite criticize us from time to time for intervening in regional economic development. We intervene, because people ask us to. People ask us to intervene as the federal government and also as a partner.

Am I to understand that what members opposite want is for the federal government to withdraw essentially from its regional development function? Does this mean that all the money invested in people to strengthen our economic fibre should be

withdrawn? They will have the task of explaining locally why they want the federal government out of regional development when we have very recent and particularly eloquent examples of efficiency and of funds invested, once again, in business, in the economy and, ultimately, in the people.

Recently, we announced the CESAM project in Montreal. It is a remarkable project, another partnership with the province and private enterprise. It brings together people from the same sector to exchange information and knowledge thus making Quebec businesses competitive not only provincially, not only nationally but internationally. This is what today's Quebec is all about. This is the sort of positive talk the people of Quebec want to hear, talk that is in their interest and that will make them stronger and more viable economically.

There are other remarkable examples proving that we are headed in the right direction. What about Team Canada, headed by the Prime Minister, which also brought back $11.3 billion in contracts. In conclusion, noteworthy examples demonstrating that, if we work together to ensure Quebec felt its interests were well protected both at the National Assembly and in Ottawa, we could build a strong Quebec and a strong country.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, the member for Outremont was speaking about the great Quebec dream. I think he dreams that one day Canada will be good for us, but this is an illusion. If he would just look at the results, the consequences of the Canadian federation, maybe he would have the answer to his dreams.

I always look at the results first and, in our case, the result is that Canada now has an accumulated debt of $600 billion and that it cannot even balance its budget. That is the result, the consequence of federalism. We should stop talking about nice agreements between Canada and Quebec, we should stop saying that everything is fine and dandy. We cannot even balance the budget and the Canadian federation has turned into a fiasco over a short period of time.

It is urgent that we put our house in order. As Mr. Lévesque once said so well: "Canada is like having two scorpions in a bottle; they try to kill each other, they both want to prove that they are distinct and different, they both want to spread out, but they are stuck in the same bottle. One day they will both die". This is what is happening now. We are on the edge of the abyss, we are both dying.

Because there are two nations in this country, it is urgent that each one become a country and that we give ourselves a chance to thrive. That is the reality. That is the mandate Quebecers gave us. They sent us here to Ottawa for that purpose. They told us: "Go to Ottawa to promote sovereignty; it is essential and urgent for Quebec because we are now in death throes financially.

• (1535)

We hear nice stories about common projects, a million here, a million there, a dozen million elsewhere, and we try to make Quebecers believe that federalism is a way of life and that without it Quebecers could not survive.

In duplications alone, this system costs $2 to $3 billion. We are told that the administration cost of the GST, for individuals and businesses, is in the order of $2 to $3 billion. We did not need that. All the government had to do was say: "Administer the tax. Combine it with yours immediately. Hide it if you want, but administer it in a sensible way and we will return a certain percentage to you". But that is not the way the federal government does it, it returns money to Quebec as if it were a gift.

The federal government has always tried to do it this way, to make Quebecers believe that without the federal government they would, all of a sudden, become much poorer. This is not true. The government always forget to say that Quebec sends $29 billion, that is $29,000 million, to Ottawa, every year, and the federal government uses this money according to its own priorities and most of the time without due consideration to Quebec priorities. More often than not decisions are made unilaterally. The government does not care whether Quebec prospers or not, as we have seen when the government spent $2 billion of Quebec's money to promote Hibernia, when everybody knows that it will never be viable. Yet, Quebecers will continue to pay.

This was a nice dream, sure, but it is time to come back to reality. And the reality is that we are two peoples and that, if we want to move ahead, we must separate into two different countries.

Mr. Cauchon: Mr. Speaker, when I listen to the opposition member, I seriously wonder if we are really living in the same world and if, in the last year and a half, he has looked at the policies carried out by the present government.

First of all, when people on the other side of the House tell us that Quebecers elected them to make Quebec's independence, I think that is playing down the issues of the last election. Quebecers told us, in the last election, that they expressed their discontent at the ballot box, and it simply happened that the vote went heavily to the Bloc Quebecois.

Why discontent? There were years of Conservative government when an absolutely incredible debt and deficit were built up, and I point out that the hon. member who just spoke was part of that government and voted for all its legislation. Moreover, there were years that resulted in the people losing confidence in the government machinery, in the public servants.

I think that, today, when we look at the polls in general and the work done by this government in the last few months, we can see clearly that the people of Canada and Quebec have regained this confidence, because we promised certain things during the last election campaign and we delivered, because these promises,

the economy and job creation, were of interest and concern to the people. Last year, 430,000 jobs were created, and we are still creating more.

So, essentially, in everything that my colleague has been saying about the debt and the fact that Quebec would simply go and beg for these things in Ottawa, we can see that it is the Bloc Quebecois that is trying to make sure Quebec is perceived that way. But that is totally untrue. Quebec has a large place in the Canadian federation. On the economic level, Quebec plays an extremely important role within the federation. And on this side of the House, we want to make sure that Quebec and the nine other provinces can first develop individually, but also within the Canadian federation and according to major international trends, that they can develop together and excel on the international scene. That is our goal and we will succeed.

The Acting Speaker (Mr. Kilger): Since there are only two minutes left, I will divide them between the question and the answer. I give the floor to the hon. member for Témiscamingue.

• (1540)

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I listened carefully to the speech of our friend from Outremont, who loved to pass out cheques for the infrastructure program, of which he spoke with a certain wistfulness. He also referred to my colleague of Longueuil who is a former Conservative. I would remind him that the latter at least had the courage to cross the floor and change sides. I hope the hon. member will have as much courage when the time comes to make decisions in the interest of Quebec, which he is supposed to represent.

My colleague said all sorts of things about decentralization. He chose a good example when he spoke of the Canada social transfer. Actually, it was the deficit that was decentralized. I hope he will rise in caucus to defend the interests of Quebec, because he should know that Quebec might have to bear more than 40 per cent of those cuts. I also hope, when he talks about the consensus in Quebec about manpower training, that he will be intelligent enough to look at what is really going on. The consensus is not only inside the Parti Quebecois. Ghislain Dufour is not, as far as I know, a member of the Parti Quebecois, and is not likely to become one in the near future. Yet, he was among those who said that manpower training should be the responsibility of the government of Quebec.

What positive action he intends to take in the coming weeks within his own party to defend the interests of Quebec on those two issues?

Mr. Cauchon: Mr. Speaker, when they hear things that do not please them, the members of the Bloc Quebecois launch into personal attacks, saying such things as: "I hope my colleague for Outremont will be intelligent enough—" Obviously, what I said does not suit him, because he is not hearing what he would like to hear from members on this side. He knows that what he is hearing from members on this side is also what the people want to hear.

As for the Canada social transfer and the human resources investment fund, I was among the members of Quebec who stood for these issues in the national caucus, and for two reasons. First, we are an economically responsible government. As such, we had to rationalize the programs to propoerly manage the debt and the deficit. Second, we had to decentralize as well, because that was what people were asking for. I was among those who championed these two programs. I am proud of it, and proud of what the government did.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am very happy to participate in this debate on the official opposition's motion denouncing the excessive centralization of powers by the federal government, which is preparing, without saying anything and without consultations, a new, centralized Canada by passing at least the four bills we mentioned.

I will not repeat my colleagues' extremely important and interesting explanations on Bill C–88, Bill C–91 and Bill C–46. I, however, have a lot to say about the bill to implement the budget. But first, I would like to talk about unemployment and poverty in Quebec.

I want to explain why the sovereignists here in Ottawa and in Quebec want to achieve sovereignty, after all the years of repeatedly trying to convince others that Quebec needs more than crumbs and federal commissions. Because we are a people and a nation, we need control over Quebec's economic and social development. Let us talk about poverty. This year, Quebec won the award for poverty.

• (1545)

In its report released this year, the Family and Social Affairs Council showed that, in 1993, Quebec came first among poor provinces for the number and percentage of people and families living below the poverty line.

Last month, 803,900 people—372,000 households—were on welfare in Quebec. This figure includes people who are willing to work and a large number of children we are concerned about, because children raised with the bare minimum often lack what they need in life to develop normally.

Poverty has many causes but that is not what we hear because of the strong prejudices against poor people, who are already facing great difficulties. In summary, poverty is not only a lack of money but also a deep sense of failure, of insecurity, of vulnerability, of worthlessness. All additional failures, such as fruitless job searches, problems with the spouse or children, and

difficulties in finding suitable housing or in meeting nutritional needs, further marginalize the poor.

Losing a job often leads to poverty. By making drastic cuts to UI, the government has reduced the number of recipients, not because there are fewer unemployed workers, but because a smaller number of them are eligible for benefits.

In Canada, only 49 per cent of the unemployed qualified for UI benefits last month, as compared to 77 percent in 1990. As far as unemployment is concerned, the rate is 14.4 per cent in Quebec and it is seasonally adjusted, while the rate of unemployment in Ontario is 8.7 per cent. That is almost three percentage points lower.

To compare Quebec to Ontario or the rest of Canada, we must consider not only the number of persons who are unemployed, but more appropriately the number of persons who are employed; this is called the employment population ratio. It is quite simple. If 65 per cent of the population 15 and older has a job, therefore producing wealth, spending money on clothes and putting some in the bank, much more wealth will be produced than if 50 per cent of the same population was employed.

When you look at the difference between employment and population, you notice differences much greater and more alarming than those for unemployment. For example, the employment population ratio for Ontario is 59 per cent, as compared to 53.8 per cent in Quebec. This means that, quite apart from the unemployment rate, thousands of jobs would be required just for Quebec to match the level of employment in Ontario.

• (1550)

That is not all. What is absolutely tragic is that, if you compare Quebec to the rest of Canada, if you compile statistics on all of Canada minus Quebec, what do you find? You find that the overall employment population ratio for Canada is 59 per cent, while in Quebec, as I indicated earlier, it is only 53.8 per cent. This is a very substantial gap.

It is important to remind you why we are angry in Quebec, and I am not referring only to our anger but to the anger we can feel brewing in many people, ordinary citizens who are unable to find work, who are given funny looks by UI or welfare officers because they always take them for defrauders at first, and the anger of community groups striving to help those in need, and seeing their resources cut time and time again while the need for assistance continues to grow.

You may wonder what this has to do with the motion. The connection between the two is extremely important because, after a long process— of which I will relate the details, time permitting—we came to the conclusion that our only chance to make it was to take control of all the levers, to pass all our legislation, to collect all our taxes, and to sign all our treaties, including treaties with the rest of Canada.

Let me read you a text which I recently came upon. It was written by René Lévesque, then a federalist Liberal minister responsible for family and welfare issues, at a conference on poverty held in Ottawa, on December 10, 1965.

Mr. Lévesque said: "It is absolutely essential, to use a redundancy, that the government primarily responsible for developing and implementing these measures on our territory be the Quebec government. This is the only way to ensure efficient action. It is also the only way to implement a co–ordinated policy for economic and social development which will truly put the accent on the individual".

We could use those same words today to explain our program.

Mr. Lévesque added: "We do not feel it necessary to prove that our government is closer to its population than Ottawa is. Our government is by far in the best position to adapt the possible solutions to the needs of its citizens. It is so because our government has the immediate data on land development, and also because it can monitor the implementation of its selected policies and make necessary changes without having to wait for federal–provincial conferences which take ages to organize or which are useless".

I might add that there has not been any federal–provincial conference on the vital issue of manpower since this government took office.

Mr. Lévesque continued by saying: "Moreover, our government can more easily enlist the co–operation of its citizens than the federal government could. This is important at a time when the issues of democratic planning and concerted action by citizens and their government take on a greater significance. Moreover, how could we possibly ensure the necessary co–operation in the socio–economic sector if, in addition to the usual problems related to co–ordinating the efforts of a large number of Quebec departments, we would also have to take into account similar initiatives and projects by the federal government? To raise the question is to answer it".

• (1555)

Those words were written by René Lévesque in 1965, when he was a Liberal minister, in his last days as a federalist.

In those days, René Lévesque thought it was possible to have some kind of arrangement with Ottawa while keeping control in Quebec. We are a people. We are a nation. In our house—our economic and social development—we cannot have two architects, two teams of engineers working their own way, with

separate budgets, and giving orders. That is what our motion is all about.

The federal government is making the plan of our house, with our money and without consulting us, when we already have a plan in Quebec. We do not have all the money we need, because part of it was coming to us from transfers originating in our own pockets. In our confederation, the constitution gives the federal government the power to collect money to spend in areas that are outside its jurisdiction.

So, the federal government uses our own money to draw the plan of our house without consulting us, while, on our side, we try as best we can, with whatever means left to us, to prevent the worst, in a situation where we have 803,000 welfare recipients and more than 327,000 unemployed, not to mention people who have given up, and the young who have no hope.

It is hard to keep calm when we hear the federal government bragging that it brought its deficit under control. How dit it manage to do it? By transferring cuts instead of money to provinces, and more particularly Quebec. I stressed how, more than ever, Quebec's economy needs only one architect and only one team of engineers working under the control of that architect, in co–operation with others when information is needed. However, we just cannot continue with this madhouse being built at the people's expense, in spite of the 130 members elected by Quebecers out of a total of 200 at both levels of government.

Quebecers elect, at both the federal and provincial levels, 200 parliamentarians, 130 of whom are sovereignists. They are fed up with the central government using taxpayers' money to try to build a house they do not want, with blueprints they do not want, and for whose satisfaction? To satisfy those who, since confederation, think they are the only ones who know what kind of house should be built, and how.

Now, we happen to be a nation. We are not only a distinct society, but a nation. We are a nation according to every existing international criterion, the main one being the collective will to live. This collective will to live is our main mandate to see to it that our house is built following our blueprints and, moreover, with our money.

• (1600)

I want to read, if I may, a motion that I have just this instant received, and that has just been tabled in the National Assembly: "That the Quebec National Assembly call upon the federal government to review its Bill C–91, which will have the effect of sanctioning the federal government's interference and increasing duplication in regional development".

This comes just at the right moment in my speech. Yes, we will do our utmost to explain that to Quebecers, who have had about as much as they can take of the problems of everyday life—and we can understand that sometimes they do not know which way to turn. We will try to explain to them that it is absurd, with our limited resources, to have two teams of architects contradicting each other, whereas there is only one team they can control democratically. The only one they can control democratically is the one they elect.

Some could say: "Oh! but why is it not Ottawa that looks after all of Canada's economy?" We could have a group of economists who would disagree on many things, but who would agree on one thing, that is as culture goes, so goes the economy. The Japanese do not think like the French, the Germans or the Americans when it comes to the economy and money. What is working for Toyota in Japan is not necessarily working in Mississauga.

The same is true for Boisbriand versus Mississauga. Why? Because culture has a profound influence on how we work, on how we create, on how we organize, on how we sell, on what we decide to work on. It is in the name of this culture, in a broad sense, and in the name of this nation that we are saying in this House, and I understand that it can be annoying, that the movement will not stop. As René Lévesque, who was to become the founder of the Parti Quebecois, said in 1965, once a movement has started, nothing can stop it.

It would be better to start realizing that we will have to negotiate together, but let no one think that they are going to sneak one past us, that they are going to ignore us and create a Canada in which we will not feel perfectly at home, with our money and against our interests. I spoke mostly of Quebec, but I would like to conclude by saying that if the bills in question allow for a better development of Canada, I would say great, if that is what you want. I respect your culture and I respect the fact that that is how you want to develop, but for Quebec, and I am speaking in the name of the majority of members elected by Quebecers, it will not do.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I will be brief. In her speech, the hon. member said that there was anger among Quebecers. She said that she felt that anger, and I agree with her, it is true that there is anger among Quebecers, but I would simply like to point out to the hon. member that that anger, and it does exist, comes from a great disappointment vis–à–vis the present Quebec government. The other way to govern of that government, which is a branch of the Bloc Quebecois, scares Quebecers.

• (1605)

We even saw sovereignist central labour bodies question their allegiance to sovereignty. Just consider the cuts in health care, which is a provincial jurisdiction. So, yes, there is anger. Since you also talked about your plan, about the architects, I will ask you a very simple question: Since you have a plan—

The Acting Speaker (Mr. Kilger): Order, please. I simply want to remind my colleagues on both sides of the House that all comments must be made through the chair and not directly, from one side of the floor to the other.

Mr. Patry: Through you, Mr. Speaker, I would like to ask this of the hon. member: If you have architects, if you have a plan, why wait? I would like to know when the Quebec government will decide to call a referendum with a simple and clear question.

Mrs. Lalonde: Mr. Speaker, you will understand that it is not up to me to answer that question and to say when the referendum will be held. It will be held when the Government of Quebec, which has the power to hold such a referendum under Quebec law, will decide to do so.

However, I would like to respond to my hon. colleague who suggested that our anger comes from our disappointment in the present Parti Quebecois government. With all due respect, my colleague is mistaken. I want to tell him that we did not find ourselves with so many people on welfare and unemployed overnight and that the previous government, which was in office for nine years, had something to do with it.

I want to remind the member that as soon as the previous government led by Robert Bourassa came into office, it asked the central government to negotiate so that Quebec could regain powers in five areas in order to rejoin the constitutional fold. It thought it was important not only from a cultural standpoint, but also for the economy.

I want to remind the member that, for years, we had a federalist Liberal government, led by Mr. Bourassa, and a central government that wanted to help Quebec back into the Constitution because it had been imposed upon it even though that Constitution brought fundamental changes to the rules established at the time of Confederation in 1867. But Robert Bourassa saw the Meech Lake Accord fail because of whom? Because of the party that is now in office. We know, and it has been well documented in the newspapers and in many history books, that this party put pressure on some people, one of our honourable colleagues who shall remain nameless and the premier of Newfoundland, Clyde Wells, to get them to oppose this deal. And then the federalist Liberal Party of Quebec voted for the Allaire report, which left very few powers to the federal government.

What did it do after that? There was the Bélanger–Campeau commission, and then it adopted a bill, Bill 150, saying that it would hold a referendum if it did not get satisfactory offers, which we know never came.

• (1610)

Despite all that, a referendum was held and, as we all remember, the Charlottetown agreement was rejected in Quebec because it was not enough and in the rest of Canada because it was too much. Now we are being told that the people are angry because of the unemployment and welfare situation, they are angry at all the levels of governments, and they are angry because they feel powerless, and I can certainly understand them, and all that anger is directed towards the new government.

I had a better opinion of my Quebec colleague than that. Politics does not make you lose your analytical ability, your knowledge of history or your good sense. Yes, people are more and more angry, and my hon. colleagues should realize that our constituents want change. It is true that a large number of people are facing such problems that it does not make sense any longer.

You only have to think about these women who are walking from Montreal to Quebec City—at first it was for bread and roses, but I am sure it is not rosy all the time—who are painstakingly making their way to Quebec City to show that poverty as they know it does not make sense. Their situation was documented, written about, told, but now they want concrete solutions. These women know full well that our scope of action is limited as long as the province of Quebec does not have all the powers it needs.

Even within a sovereign Quebec, we will not be able to make all the needed changes instantly, but we know we will eliminate all the overlap and stop arguing, when we cannot even take the necessary measures to help the ordinary citizens. Ottawa will never do this for Quebec. So, everyone, including my hon. colleagues, will have to join us to build Quebec.

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I listened carefully to the remarks made by the last speakers, particularly those made by the member for Longueuil who blamed the national debt on the Canadian federation. I also listened to the remarks made by the member for Mercier who, at the beginning of her speech, was going to blame the poverty level in the Montreal area on federalism, or I thought she would, but she stopped.

Moreover, she tried to say that the high unemployment rate was again a consequence of the federal system. Strangely enough, she forgot to mention that, even with the Canada social transfer, Quebec benefits considerably from federalism through equalization.

Many studies have clearly shown that Quebec has been able to grow within a federal system while benefiting enormously from such a system. She also forgot to mention that, through the unemployment insurance program, Quebec gets over $1 billion more.

In this last allotted day that the official opposition has during this session, it has chosen once again to talk about four bills in order to try to show that federalism does not work, that the government wants to centralize powers. In her speech, the

member for Mercier also said that the time has come for Quebecers to take complete control of their own destiny.

• (1615)

However, I find it hard to keep a straight face when I hear these arguments, because in their draft bill, they want their dollar to be the Canadian dollar, they want their passport to be a Canadian passport. And throughout the debate on these issues, they want to determine the scope and subject of the referendum question. They had a debate, and they told us the question would include one on political and economic association with Canada. It seems to me they want what Canada has to offer. In that case, I challenge them to do the following. Instead of wasting the 10 or 11 million dollars it cost to conduct these consultations—the hon. member for Mercier also mentioned the high poverty rate—I think this money would have been better spent on dealing with unemployment and poverty.

So we have four bills that were mentioned together in an attempt to demonstrate that federalism, as they see it, has become centralist.

I would like to discuss Bill C–76, which implements certain provisions of the budget tabled by the Minister of Finance. In referring to this bill, the opposition is very critical and says we want to centralize everything. In fact, the only condition set by the government for the Canada social transfer is the period of residence, which cannot disqualify a recipient from receiving social assistance.

The other criterion, which already exists, is maintaining the five principles of health care. At the request of the Province of Quebec and the other provinces, the government decided to group these transfers. Again, at the request of the provinces, the government gave them a set target budget, guaranteed for a period of two years. And the members of the Bloc Quebecois complain that we want to centralize powers!

I find it very hard to understand how the motion could possibly be about centralization, since in this bill and other bills, and also in our approach as a government, we have shown repeatedly that we want to decentralize powers, in two respects. The first one is to eliminate overlap and duplication. Not because it is the will of the Province of Quebec or of the Bloc. No. Because it is the will of all of Canada, all Canadians, because it will save us money. That is what we are doing.

My presentation is about Bill C–91, the bill in relation to which the National Assembly just passed a motion, as the hon. member for Mercier just said. As I will explain, I find it hard to believe how the Bloc Quebecois can construe this bill as an effort on the part of the federal government to once again centralize powers.

Canada and Quebec have entered a new phase of economic growth. The federal administration is sensitive to the globalization of markets and to the increased emphasis on competitiveness. We are redefining the federal government's approach to the economy.

• (1620)

The most important part of this new approach is recognizing the dynamic role that small and medium size businesses play in job creation and the creation of wealth.

This government has developed many approaches and reworked its strategy and its tools to take into consideration the key role that they play in our economic prosperity.

[*English*]

Bill C–91 gives the Federal Business Development Bank a new mandate. Under this new mandate the bank will be able to increase its activity in smaller loans and investments and focus more on knowledge based industries and exporters, two of the thriving forces in the global economy.

A key element of the bank's new mandate is partnership. Bill C–91 makes it easier for the bank to work in close partnership with other partners. These new closer partnerships will help small and medium size businesses and will avoid inefficient and costly overlap and duplication, contrary to what the members of the Bloc Quebecois have said.

[*Translation*]

The opposition's reaction to Bill C–91 disappoints me. The opposition claims that the objectives of this bill are to usurp provincial powers, to build a centralized state and to take considerable powers away from Quebec.

This opinion could only be based on a misinterpretation of clause 20 of this bill.

[*English*]

Clause 20 says: "The bank may enter into agreements with and act as agents for any department or agency of the Government of Canada or a province or any other body or person for the provision of services or programs to, on behalf of, or jointly with that body or person". I do not know how the opposition member can misread that. It is quite clear. This is not in any way an intrusion by the federal government into provincial jurisdiction. Clause 20 of Bill C–91 facilitates co–operative joint ventures with partners from the private sector as well as the public sector.

Clause 20 permits the bank to enter into agreements with other persons and organizations, including federal and provincial government departments and agencies. The authorization applies to the bank, not to the other parties involved. Let me repeat that again so members of the opposition understand. Clause 20 applies to the bank only. I think this is where they are having a hard time. It does not apply to the other parties at all. The other parties, whether they be government agencies or

provincial boards, still have to obtain proper authorization from their jurisdictional authorities before entering into any agreement with the bank.

In circumstances and situations in which a jurisdictional body must grant authorization for a partner to enter an agreement there will be no change.

[*Translation*]

Why is this change necessary? Because the wording of the previous legislation limited the bank's ability to conclude agreements with non commercial firms. In some cases, these organizations, some of which come under provincial jurisdiction, proposed to the bank itself that it help provide financial and management services.

The bank could not do anything at the time, because it lacked the legislative authority to enable it to co–operate. A lot of time and effort went into obtaining this authority. Clause 20 will eliminate all the bureaucratic red tape and will make it possible to provide more effective services, which small business can use.

[*English*]

Clause 20 of Bill C–91 is very technical I will admit, but it allows the bank to enter into joint co–operative agreements. Clause 20 will allow partnerships, joint ventures and even the delivery of financial assistance on behalf of other agencies subject to the banks usual guidelines.

• (1625)

As an example of co–operation and collaboration, the Federal Business Development Bank and FORD–Q, the body responsible for regional development in Quebec, are currently developing a strategic partnership as part of a pilot project. The object is to create a special fund which will have a leverage effect in order to support projects undertaken by small and medium size enterprises in unexploited niches.

In addition, the bank has developed strategic partnerships with agencies and departments of Quebec's provincial government. For example, the bank recently completed an agreement to develop a technology training and counselling program with le Ministère de l'Industrie, du Commerce et de la Technologie du Québec and the Professional Engineers Association of Quebec.

[*Translation*]

The bank, moreover, joined with the Société québécoise de la main–d'oeuvre to start up a program to promote and encourage women's initiatives in conjunction with a Bank of Montreal program to train and develop business women.

Together with the Maison régionale de l'industrie in Sherbrooke, the Federal Regional Development Office designed a program to advise and train new exporters. The power to establish partnerships is no different from similar provisions in legislation governing other crown corporations, including the Farm Credit Corporation and the Export Development Corporation.

[*English*]

I must point out at this point that the ability to enter into partnerships certainly follows one of the recommendations of "Taking Care of Business", the report which the Standing Committee on Industry released in October 1994. I had the pleasure to sit on that committee. The committee recommended that the mandate of the bank be confirmed and refocused as a complementary lender to small and medium size businesses and that it be authorized to use new financial instruments to fulfil its mandate. The two members of the Bloc Quebecois who sit on that committee were in full agreement with that recommendation.

Bill C–91 is an important element in creating the supportive environment for small and medium size enterprises across Canada which will contribute to building a long and lasting prosperity. This bill is one part of the future we are building for small businesses and for Canada's economic prosperity.

There is no doubt about the importance of small and medium size businesses to our economy today and tomorrow. Small businesses employ more than half of the Canadians working in the private sector. Since the early 1980s small businesses have created over 87 per cent of all new jobs in Canada.

[*Translation*]

Small and medium size businesses will continue to be a source of jobs and wealth in Canada. Our goal is to create a climate in which businesses will be able to continue to create jobs for Canadians, and to contribute to the wealth of the country.

We are taking action on this basis, and moving toward our goal. In 1994, we asked several groups and organizations in the public and private sectors, including the committee, how the government could create a suitable climate to foster the growth of small businesses.

Everybody agreed that small and medium size businesses have great potential to create even more jobs and wealth. Unfortunately, that potential is too often left untapped. The groups and organizations we consulted said that, in order to tap this potential, the government had to start with reducing the deficit. The first step was taken by the finance minister in his last budget.

Moreover, they told us that we must develop more efficient, more effective, and more relevant programs for small businesses. Finally, we must recognize that the government cannot, on its own, foster, in the small business community, the vitality and the growth the country needs.

• (1630)

On the basis of these recommendations, we outlined in our report entitled *Building a More Innovative Economy* a wide range of initiatives aimed at fostering the growth of small business in Canada.

[*English*]

In the vital area of financing, we have pressed the banks to improve their relationship with small businesses. We have taken steps to ease access to capital for innovative projects. We are refocusing federal government financing programs to fill in the gaps left by the private sector.

At our urging, the Canadian Bankers Association developed a code of conduct to help ensure accountability, understandable contracts, more efficient credit processing, and an effective method in dealing with complaints. Member banks are incorporating these standards into their own codes of conduct.

The federal regional agencies, such as the Atlantic Canada Opportunities Agency, the Federal Office of Regional Development in Quebec, western diversification, and the federal office of regional economic development for northern Ontario, have all refocused their programs almost entirely on small businesses. Federal agencies now focus on recoverable contributions and information to businesses.

[*Translation*]

At the end of the 1994 fiscal year, we amended the Small Businesses Loans Act by increasing the credit ceiling to $12 billion in order to meet the ever growing demand.

On April 1, we implemented other amendments allowing for cost recovery in accordance with our overall deficit reduction goal. These amendments will also help identify the main beneficiaries of the program.

In the next few weeks, we will table further amendments to the SBLA in order to get on with the process of recovering all program costs and make other minor changes affecting lenders and borrowers.

The review of the small business policy clearly showed that one of the most pressing problems facing small and medium size businesses is access to capital.

The review of the role and mandate of the Federal Business Development Bank was a key element of the government's efforts to improve this access.

[*English*]

The Federal Business Development Bank, since it started almost 50 years ago as the former Industrial Development Bank, has helped Canadian businesses respond to the changing demands of the economy through timely and innovative financing and management services. As the economy changes again, the time has now come to change the Federal Business Development Act as it stands.

[*Translation*]

The purpose of Bill C–91 is to modernize the bank's mandate. It is based on the experience and skills acquired to provide the financial and administrative leadership needed by small and medium size businesses in the knowledge–based economy, without neglecting traditional finance sectors.

The Business Development Bank of Canada will be an important source of support to small business, as it will be able to fill in what I would call the "gaps" faced by small and medium size businesses across the country.

[*English*]

Bill C–91 in no way intrudes on provincial jurisdiction. It does not take powers away from any province. It does, however, make this very important institution more flexible and more responsive to the needs of small and medium sized businesses for the benefit of all Canadians.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I would like to point out to the hon. member for Vaudreuil that he missed something in his remarks. He clearly identified the needs of the small and medium size business sector, needs that we recognize because in Quebec—and there was much talk about this in committee—all the organizations concerned and directly involved with meeting the needs of this industry, not only in terms of development but also in terms of export, have been identified.

• (1635)

Take the solidarity funds, the Paillé project and the regional development fund for example. And now, in the wake of the APEX program, we are setting up in all of Quebec's regions a commissioner of exports system.

The hon. member for Vaudreuil failed to assess the impact of Bill C–91 on regional development. He was careful not to get into the impact of the provision in which the federal government gives itself the power to step in and enter into agreements directly with whomever it wants in Quebec, whether an organization, a regional development council, a municipality, a business or what not.

However, the hon. member for Vaudreuil knows very well that, in terms of regional development, Quebec is the only province where a federal development office called FORD–Q has been established, with offices in every region of the province. No such agency exists elsewhere in Canada. In the rest of Canada, regional development is overseen through agencies like ACOA in the east for Atlantic Canada, WDO, which stands for Western Diversification Office, for western Canada, or FEDNOR in Ontario. And these agencies do not have regional offices all over the place.

This FORD–Q we are talking about is everywhere in Quebec. We call it the delivery arm, seeing that this agency signs memoranda of understanding with other departments, which in turn deliver services, having themselves signed MOUs with the Federal Bank.

We have put questions to the Minister of Human Resources Development and Minister of Western Economic Diversification, the Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency as well as the Minister of Industry for Ontario, and none of them was aware of the existence of a delivery arm elsewhere in Canada. None of these development authorities had heard about agreements or MOUs between departments. Incredible efforts are made in Quebec in terms of federal interference in regional development.

I would like to tell the hon. member for Vaudreuil that the position taken by the official opposition should come as no surprise to him. After all, he said that Quebec is a prime mover and a leader in regional development. This fact was stated quite simply.

In Quebec, we have a decentralized sectorial and political structure. The powers related to regional development were delegated to various organizations accountable to the Quebec government. Some of these organizations are present in the hon. member's riding of Vaudreuil, and he knows these structures. There are regional county municipalities, municipalities, school boards, CEGEPs, universities, regional health boards, Quebec manpower development societies, regional manpower councils and regional development councils. All these organizations are established in the province's 16 administrative regions and are accountable to the Quebec government.

Moreover, there is an act respecting the ministère du Conseil exécutif, which provides that the Quebec government is the only authority which can sign development agreements, or any other type of agreement, with other governments.

Yet, through its bills, the federal government is assuming the authority to unilaterally interfere by reaching agreements with organizations which are under Quebec's jurisdiction. This is a flat rejection of a Quebec law, as well as a flat denial of the Quebec government's jurisdiction over regional development.

The legislation on the business development bank of Canada, which seeks to allow agreements with federal or provincial departments and organizations, as well as with any other body or individual, goes so far as to say that the bank could act as agent for such organizations. This is a direct and blatant attempt to take over regional development, by totalling bypassing the Quebec government and dismissing its authority.

• (1640)

I want to tell the hon. member for Vaudreuil that, in August 1991, some of his Quebec Liberal colleagues denounced the establishment, by order in council, of the federal office of regional development in Quebec. Indeed, the Quebec Liberal minister responsible for regional development, Yvon Picotte, was quick to react to the order in council confirming the establishment of a federal department of regional development and the appointment of a deputy minister in that department. Mr. Picotte said that, under the more discreet title of Federal Office of Regional Development for Quebec, the new department could, in the medium term, end up costing Quebec regions a lot. The federal government does not have the expertise to ensure that the subsidized projects will match the regional development priorities that were set these last few years by all of the stakeholders within each of Quebec's regions." He also said: "It is obvious that, with this federal approach, Quebec is faced with a *fait accompli* through orders in council."

What do we find in the bills which are central to today's debate? Exactly the same thing. Let us not forget that it was his Liberal friends from Quebec who protested. I should add that the then Minister of Federal–Provincial Relations, Mr. Rémillard, stated on August 8, 1991, that the government of Quebec was determined to stop co–operating with the federal government in the area of regional development.

The Quebec minister reminds us of the conditions for approval—

The Acting Speaker (Mr. Kilger): Order! I think we all understand that the question and comment period can lead to debate. I would certainly like to give the hon. member for Vaudreuil the opportunity to answer these comments and questions. I would ask the hon. member for Richmond—Wolfe to conclude so that our colleague can answer.

Mr. Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I was getting to my question. Given all these facts, which are not necessarily the work of the Bloc Quebecois, but are the results of all the negotiations held throughout the years with our Liberal colleagues opposite, who protested against our approach, how can the hon. member for Vaudreuil forget to mention the direct impact these bills will have on regional development and control, and refuse to recognize that Quebec has exclusive jurisdiction in this area?

Mr. Discepola: Mr. Speaker, the industry committee has been examining this bill for three days now and here, in the House, the minister has now been trying to allay the hon. member's fears for two or three days. With each passing day, I realize that his understanding of this bill's role is getting lesser and lesser.

The clock is ticking away and, unless we pass this bill before the end of June, there will be no more money for the Federal Business Development Bank, to name one, and no more money for small and medium size businesses. One of the aims of this bill is to increase the capital available to these businesses as loans.

The hon. members say that no other province boasts so many regional offices. That is because the other provinces, like the four Atlantic provinces, have their own agency. I know at least 70 members from Ontario who would like to get their hands on the budget for the Federal Office of Regional Development—Quebec to give it to Ontario, where the program does not even exist.

I am going to quote again the clause with which the hon. member seems to have so much difficulty. Clause 20 clearly says that "The Bank may enter into agreements with, and act as agent for, any department or agency of the government of Canada or a province—"

I am stopping here because I think he is stumbling on the word "province". When he talks about the RCMs, municipalities and school boards of Quebec—I must agree that municipalities were created by the provincial government—that did not prevent us from signing the Canada–Quebec infrastructure agreement with all three levels of government.

• (1645)

Therefore, I fail to see why he should worry, because, in my opinion, there is no cause for worry. We can sign agreements with agencies, and if they fall under provincial jurisdiction, the agencies, for example a municipality, will be obliged by law to obtain the provincial government's agreement.

There is no doubt in my mind that we are not trying to erode powers. What we are trying to do is resolve the problem many small and medium size businesses are having regarding access to capital. This bill aims to bring within their reach the $50,000, $60,000 or $100,000 they need, which banks cannot offer them, at the moment.

The Acting Speaker (Mr. Kilger): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Davenport—the environment.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I welcome this opportunity today to speak to the motion presented by the Bloc Quebecois. It is a pleasure to do so, both personally and especially on behalf of the people of Quebec who will hear what we have to say about the federal government and its constant push for centralization. I will try to show how the federal government is centralizing powers at the expense of the provinces and especially Quebec.

Quebec is a nation that is truly distinct from Canada and that has always wanted to develop its potential according to its priorities—

The Acting Speaker (Mr. Kilger): The hon. member for Vaudreuil, on a point of order.

[*English*]

Mr. Discepola: Mr. Speaker, I rise on a point of order. As far as I know Quebec is still a province. It is not a nation.

[*Translation*]

The Acting Speaker (Mr. Kilger): I realize that occasionally members may wish to get involved in the debate, but this is not a point of order.

Mr. Leblanc (Longueuil): Mr. Speaker, this motion condemns the federal government for wanting to centralize powers through legislation, and more specifically, through Bills C–46, C–91, C–88 and C–76. Little by little, the government, acting as it were behind the scenes, has made the Canadian federation, and especially the government of that federation, the master of this Canadian destiny, while ignoring the people of Quebec who want to develop their potential according to their own priorities, their own culture, their own way of doing things. It is always the same old story.

The process is a very gradual and very discreet one, and if we look at the situation very carefully, we realize that gradually, the provinces, if the process is allowed to continue, would become regions that would merely act on decisions handed down by Ottawa, something Quebec will never except, since for years we have refused to become a part of this way of running Canada.

The federal government, and a Liberal one to boot, says it wants a flexible and open federation, but at the same time it decides to centralize and give itself certain powers without further consultation. As my colleague said, there have been no federal–provincial meetings since this Liberal government was elected. Why? Because it is independent. It thinks it is the only government in Canada that should determine the future of this country. It does not consult the provinces, and it goes ahead, slowly but surely, little by little, very discreetly. It is very smart about the way it is doing this, but we in the Bloc Quebecois, who came to Ottawa to defend the interests of Quebec and promote the sovereignty of Quebec because we felt we had to do this, we cannot let this go on.

• (1650)

I would remind you that this desire to centralize powers in Ottawa is not new. Sixty years ago, Mr. Duplessis was elected in Quebec in 1936 on a platform of: "Il faut rapatrier notre butin". I remember by father and grandfather voted for Mr. Duplessis, who was Quebec's premier for many years and who got elected on the platform of: "Il faut rapatrier notre butin d'Ottawa". Quebecers' mistrust of the federal government is not new. In

order to grow, we need more independence. Mr. Duplessis got elected with the slogan: "Il faut rapatrier notre butin".

Jean Lesage was a Liberal, a senior public servant and a former member of Parliament in Ottawa. He ran for election in Quebec City in 1960 and was elected with the slogan "Maîtres chez nous". This is important. Quebecers voted for Mr. Lesage because he talked to them about being "Maîtres chez nous". He was a Liberal, a former member of Parliament in Ottawa, and he became the Premier of Quebec who got the quiet revolution in Quebec rolling. This is when Quebec really began to pick up speed in achieving success and bringing about change. It happened because Quebecers began to take pride in themselves and because the Liberal Premier of Quebec in 1960 said that we had to be "Maîtres chez nous". This is how he got elected.

Daniel Johnson, the father of the Union Nationale, got elected with the slogan "Égalité ou indépendance". So, here again, Quebecers elected a government in Quebec on the strength of a slogan like "Égalité ou indépendance". It is important, when the federal government wants to centralize things here in Ottawa and proves the point with the bills we mentioned earlier, to note that governments in Quebec have been elected almost since the start of the century on the strength of such slogans.

We are not here by chance, we in the Bloc Quebecois. We were sent here by Quebecers to defend this point again. Today, as in the past, while it has been in power, the Liberal Party continues to try to centralize, obviously a little at a time and somewhat deceitfully. They are good at it. People do not really realize it, but we are being had yet again.

In 1976, Mr. Lévesque got elected with "Souveraineté–association". We can see that things have evolved. Sixty years ago, Mr. Duplessis used to say: "Il faut rapatrier notre butin". Mr. Lesage: "Maître chez nous", Daniel Johnson Senior: "Égalité ou indépendance", and Mr. Lévesque, in 1976: "Souveraineté–association". While keeping a close eye on things, we realized that the federal government wanted to take over more and more and centralize more powers in Ottawa.

What happened? In the 1970s, Mr. Trudeau's Liberals realized that Quebec was really coming along with its governments which were really working for the people—Maîtres chez nous, Égalité ou indépendance, and so on and so forth—Quebecers were really starting to be proud and to grow. So the federal government said: "We cannot let this happen, Quebecers are going to be ahead of us". In order to stay ahead, the federal government decided to use its spending power. And it established all kinds of programs. It set health care standards. It injected money, taxpayers' money, of course, it is never the money of the federal government, it is the money of taxpayers. It started borrowing.

In 1972, the federal government borrowed so much money that it started accumulating a debt. From a zero deficit in 1972, the federal government had accumulated a $175 billion debt by 1984. In 1980, its accumulated debt had reached $80 billion, strictly to show its superiority over Quebec. Seeing that Quebec was developing, seeing Quebec with a sovereignist movement more sovereignist than Quebecers themselves, if I may say so, the federal government, not looking kindly on these developments, said: "We are going to show Quebecers that we are important. We are going to spend money and show them that they will not survive without us".

• (1655)

Quietly, they borrowed and borrowed. What has been the result? For the sole purpose of proving its superiority, the federal government borrowed and spent. At the same time, it created a completely artificial economy which contradicted the very model of the Liberal free entreprise system. It did not create a system, it created an artificial economy by injecting so much money into it. It was not free enterprise which caused the economy to overheat and go into a crisis, it was the government with its interventionist policy.

Remember that in the 1970s, the federal government caused inflation by trying to prove its superiority with its free spending. The annual inflation rate climbed to 10, 12 and even 15 per cent. The federal government continued its free spending until after the 1980 referendum. We had to wait until 1980. In that year, a referendum was held in Quebec, a referendum which was lost by Quebecers. But still they won by 43 to 45 per cent.

It was only after the referendum that the government began to say that it made no sense. It had been causing inflation for so long that it now had to stop it. And the only way to stop it—the governor of the Bank of Canada said it himself—was by raising interest rates. So, in 1981, 1982, interest rates soared to 21 per cent. The recession which ensued was so severe that many small businesses in Quebec as well as in Canada went bankrupt. The hon. member from Vaudreuil knows that, he just mentioned it. I know too, I was in business at that time. I can tell you, Mr. Speaker, that those were very hard times. A lot of businesses went belly up.

Many businesses were expanding, they had lines of credit and heavy mortgages. Quebecers went with the flow, they grew, contracted loans, etc. because Quebec was part of the modern economy. The recession which was a pure creation of the federal government which brutally raised interest rates up to 22 per cent over a very short period of time caused bankruptcies and economic and social chaos. The whole problem was caused by the federal government which wanted to prove that it was the big

boss, that it was the greatest and that it must stick its nose everywhere. It was terrible, simply shocking.

In 1984, the cumulative debt totalled $170 billion. That year, to show its superiority, the liberal government, with Mr. Lalonde as Minister of Finance, presented its last budget before being defeated that same year. Its deficit was estimated at $38 billion and its revenues at $70 billion. The government was borrowing $38 billion, which meant it was spending almost 150 per cent of its anticipated revenues. It collected $70 billion and borrowed $38 billion. That was the Lalonde budget. All that, I repeat, only to show that it was superior, to show Quebecers that it was the big boss, that it spent and controlled.

As you know, in the 18th century, the Emperor Napoleon spent 135 per cent of what he could collect in revenues to maintain his empire.

• (1700)

But in 1984, Lalonde and Trudeau were spending 165 per cent to maintain their superiority here in Ottawa. That is what happened. People wonder why we are deep in debt and why things are not working. Why? Because two nations want to grow and they are fighting to see who will be the strongest. We decided that the best way was to have two countries so that both nations could grow.

The same thing happened in 1984. I arrived here as a Conservative in 1984. We had three slogans: decentralization of powers, national reconciliation and spending cuts. Those are the three reasons why I joined the Conservatives and why we were elected in 1984. Some said that a decentralization of powers was needed, and I agreed with that. In any case, we had lost the referendum, so we decided to take the risk of starting over again if that were possible.

The Conservatives were well–intentioned. They said that they would decentralize powers. A national reconciliation was necessary. Everybody was fighting, so we had to clean up our act. A reduction in spending was obviously needed. We had an accumulated debt of $175 billion, which was way too much. That is what we said. The Conservative government did cut spending and did make extraordinary efforts toward a national reconciliation. But you know what happened to Meech.

The Meech Lake Accord failed because it provided for a reduction in the federal government's spending power. That is why it failed. It failed because Mr. Chretien, the current Prime Minister, did not want to see the spending power of the federal government reduced. He used the premiers of New Brunswick and of Newfoundland, Mr. McKenna and Mr. Wells, and also Mrs. Carstairs, who is now a senator, to bring about the failure of the Meech Lake Accord because it limited the spending power of the federal government.

That was the major problem. We were absolutely right in asking for that, but it was the reason the accord was rejected. The leader of the present government is the one who caused the failure of the Meech Lake Accord. He is the one most responsible for the failure of the Meech Lake Accord. Everyone knows it. It is not something we made up.

What were the consequences? The consequences were that the Tories spent even more to prove their superiority. Despite spending cuts, they spent approximately $30 billion, $32 billion annually in excess of what they collected, that is a yearly deficit of $30 billion, $32 billion dollars. They continued to artificially inflate the economy, to raise inflation. They created a kind of artificial economy.

The economic growth was between 3 and 3.9 per cent, but the real economic growth—if the government had not invested $30 billion, $32 billion dollars to prove its superiority—would probably have been 2 per cent. Real economic growth such as we are seeing in Europe and elsewhere. Real economic growth of 1.5 or 2 per cent per year. But no. The federal government borrowed abroad and now 40 per cent of the $600 billion we owe are foreign owned. They artificially inflated the economy, and we are now faced with this big problem.

What I want to say is that because of the federal government's desire to centralize, to prove that it is in control, the Canadian economy has been destroyed. Canada is bankrupt as a result. It has to stop. Even if, tomorrow morning or in the fall, Quebecers lost the referendum, the problem would be the same. Fifty per cent of the sovereignists in Quebec still would want to prove their superiority, to continue to develop according to their needs, to their priorities. The problem would be the same.

• (1705)

I am telling Quebecers through you, Mr. Speaker, that they must vote for sovereignty. They have to create a new country for the good of Canada and for the good of Quebec. We must strive to do so. There is no alternative, otherwise we will never get out of it. For the good of our children, for the good of our grandchildren, for the good of Quebec and Canada, we should build a sound economic union. If we had some kind of union council, with delegates from the two countries, it would be fine. But we should each have the opportunity to develop according to our own priorities and according to our own culture.

I guarantee you that we would be better off not centralizing, as it is done right now, but becoming two separate sovereign nations linked by an economic union. There is some kind of agreement on the management of such an union.

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, this is the second time the member for Longueuil refers to the debt. In his speech, he said that in the sixties our slogan was "Maîtres chez nous", in the seventies it was "Égalité ou indépendance"

and in the eighties it became "Souveraineté–Association". I prefer to talk about the "Beau risque" of the seventies. But now, the change of direction of March 1995 has turned into no direction at all.

Why do I say that? Because the Bloc Quebecois with its separation option does not know what to offer Quebecers. The member for Longueuil speaks about the debt as if it belonged exclusively to the federal government. Quebecers also participated in that debt. If Quebec becomes independent, the quality of life of its citizens will drop from the 9th position, where it stands right now, to the 19th. The member also said that the political system is not working, that it does not meet the expectations or requirements of Quebec and that we created an artificial economy in Canada.

My question for the member is this: If he does not approve of Canada's political system, if our economy does not meet his expectations, why is it that in their plan, the Bloc members say they want sovereignty, but they also want to maintain the same economic union and the same political system? Is there not a contradiction there? I am asking the member because he said himself that after the referendum, if the answer is no, there will still be 54 members promoting independence for Quebec.

I want to ask the member if that means that all Bloc Quebecois members will resign if their option is rejected during the fall referendum, as he claims?

Mr. Leblanc (Longueuil, BQ): Mr. Speaker, I find it rather strange that when we say that we want an economic association with the rest of Canada, the Liberal Party, especially the Quebec members and the Prime Minister, who is also from Quebec, say: "We do not want any association with the rest of Canada". And yet, they too are Quebecers.

You see, this economic association is unavoidable, no matter what. We do a lot of trade with Ontario and western Canada. As a matter of fact, the West sells more in Quebec that we sell there. There is a deficit. Ontario buys slightly over one billion more from Quebec than we purchase from Ontario. If we were to become sovereign, without an economic association, Ontario would have a trade deficit with Quebec.

In order not to disturb this economy which is working and will go on, in any case, and which business people and economists will want to keep going, we say that we need some kind of economic association. No matter the form it takes, we will need some kind of economic association to manage and continue to manage our trade.

• (1710)

Moreover, we must say that, at the present time, it is harder to trade among provinces that it is with the United States through the FTA. I find this terrible. It seems to me that it should be easy for Canada and Quebec to have an economic association at least as open as the one we have with the United States.

In Quebec, we tend to trade north–south, because the market there is very large, as in New York City and Boston. It is said that there are close to 100 million consumers within a range of 1,000 kilometres from Montreal. This explains why we tend to trade with the South. But this does not mean that we do not want to maintain our economic links with the rest of Canada. To achieve this, we say that we need an economic association. It could be managed by some kind of a council which could sit, perhaps here in Ottawa, with delegates from the government in Quebec City, MPs delegated by the government in Ottawa, who could sit once in a while to manage this united council. This is not complicated, this is simple. Life goes on.

Any way, one cannot claim that governments can do everything. It is the economy which fosters good trade relations.

I hear the Liberals laugh over there, and I think they are being rather foolish. I cannot understand why they are laughing. It bothers me to hear them laugh, I do not like it. I heard the Prime Minister, himself a Quebecer, say that he does not want a union with the rest of Canada, that he has no need for it. I do not know what he is going to do. He is going to die alone. I do not know; maybe he will have to move to Toronto, because he lives in Quebec. I think he lives in Quebec, although I am not sure. I rather think that he has been living in Ontario for 30 years. I am not sure about that. When I listen to him, I wonder if the language, the words he uses are not words that Quebecers were using 30 years ago. The language of Quebecers has evolved, but the Prime Minister talks as people used to 30 years ago. I think that he has been living in Ontario for 30 years and that he seldom goes back to Quebec. The language there has evolved.

So, I find it a little strange to hear Quebec Liberals—because that applies only to Quebec Liberals—say that they do not want an economic association with the rest of Canada. I am really disappointed. I do not understand.

In this regard, in the interests of all Quebecers, it is high time for us to be sovereign so that we can grow and also have an economic association with the rest of Canada that will come naturally, I am sure. Some may say that they do not want it, but that is not true; it will come naturally. Business people, professionals, economists, all those who are in business will want it to be maintained.

Planes full of business people link Montreal and Toronto every day. I used to be in business and I used to go regularly to Toronto to buy products. I was president of a wholesale company and I used to buy a lot of products in Toronto. I went there

regularly. Ontarians will surely want Quebecers to continue to buy products in Toronto. I am sure of it.

In Ontario, over 100,000 jobs are dependent on sales in Quebec. I doubt that Ontarians will refuse to sell to Quebec any more if 100,000 jobs are at stake. I doubt that westerners will refuse to sell their beef to Quebec when we buy $800 or $900 million of it each year.

Therefore, those who claim that there will be no economic union with Quebec are talking nonsense. Anyone who is the least realistic will understand that this is a bare fact, that we are not inventing anything and that it will evolve quite naturally.

What we are saying is that we are determined enough to do it. If Liberals, and especially those from Quebec, maintain that they do not want that, it just baffles me.

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am pleased to be able to engage in this debate, particularly after having listened to that rather enlightening rendition of creative imagination on the part of the Bloc Quebecois members. I am happy to know that Jules Verne is alive and well and writing science fiction when we hear their description of how everything can change while everything remains the same. It does challenge the imagination.

• (1715)

I want to speak for a few moments about the allegations contained in the motion on the floor today with respect to Bill C–88. That is the bill to implement the internal trade agreement which was negotiated and signed among the federal government and the provinces about a year ago today. I must say that the allegations contained in that motion represent an inability or perhaps an unwillingness on the part of the Bloc Quebecois to understand the plain meaning of the text in the bill.

[*Translation*]

As was said in the House before, the federal government would seldom intervene as plaintiff in a dispute that arises within the context of the Agreement on Internal Trade. If a dispute is settled in the federal government's favour and the province concerned refuses to accept the conclusions of an impartial panel, the federal government could then suspend benefits or impose retaliatory measures of equivalent effect.

Clearly, such measures would be imposed in the same sector as the initial violation or in another sector regulated by the agreement. Retaliatory measures would not affect transfer payments or social programs since these do not come under the purview of this agreement.

[*English*]

Bill C–88 does not make the federal government the policeman of the internal trade agreement as the official opposition mistakenly insists. Anyone who takes the time to read the bill, even the headnote to clause 9 of Bill C–88 or to read article 1710 of the agreement on internal trade can only verify the accuracy of what I have just outlined. Bill C–88 deals only with what the federal government must do to live up to its obligations under the internal trade agreement and nothing else.

As I said in the House on May 4, the agreement on internal trade is a consensual agreement. All the parties who agreed to it must act within their own jurisdiction to implement it and comply with its obligations.

[*Translation*]

So far, only the federal government and the Government of Alberta have tabled legislation to implement the agreement and comply with their respective obligations in this regard. It is probable that most of the other parties to the agreement will decide to do likewise, sooner or later.

I am sure that all Canadians are anxious to see what governments that claim to support domestic free trade will actually do to implement the Agreement on Internal Trade and eliminate the barriers they themselves created over the years.

Bill C–88 is an historic milestone. It is an opportunity for the federal government to show leadership and to do so with the governments of the other parties to the agreement, as they implement the first comprehensive domestic free trade agreement since the British North America Act, 1867.

[*English*]

Since 1867 the Canadian economy has grown and evolved in ways never imagined by the Fathers of Confederation. The federal government still has the constitutional responsibility for trade and commerce. Over time, provinces have assumed prominent roles as influencers of economic growth and in the regulation of trade and commerce at their level.

As a result, trading arrangements and regulations have developed in an ad hoc way often in response to a particular regional need. Many of these measures create barriers to trade as they impact on the free flow of goods, services, people and capital within Canada.

Such barriers can lead to the inefficient use of resources and limit the ability of industry to take advantage of economies of scale and to maintain competitive market positions. The result is to reduce the competitiveness of Canadian business and adversely affect the Canadian economy.

• (1720)

Also, in Canada we have a patchwork of regulations, standards and other barriers to interprovincial trade that have grown around us and have become an unacceptable feature of our domestic market. There has been growing concern and evidence these barriers to trade are seriously affecting our ability to remain competitive in the international trading environment.

It is urgent that we establish a new trading regime in Canada, one based on more open interprovincial trade, one that would not impede the movement of people and investment within the country and one that would allow for co–operative approaches to the resolution of domestic trade disputes. Bill C–88 is a key element in bringing to fruition the process of intergovernmental negotiation and co–operation that will produce that new regime.

[*Translation*]

This bill concludes a lengthy process to which many people have contributed and which has involved analyzing a great many issues and points of view. Ministers and officials of the federal, provincial and territorial governments took an active part in this process, as well as representatives of the private sector.

In fact, representatives of the private sector and especially members of the business community have put constant pressure on all levels of government to find ways to deal with interprovincial trade barriers and the resulting economic cost for Canada.

The Canadian Manufacturers Association, for instance, estimates that trade barriers on domestic markets cost the Canadian economy about $7 billion annually in terms of lost jobs and income.

[*English*]

The agreement on internal free trade signed last year by the Prime Minister and other first ministers is an outstanding example of what can be accomplished within a co–operative framework in Canada. It is also important to note that political parties of all stripes and all regional perspectives have been part of this process.

[*Translation*]

All parties that took part in the negotiations share the same view and recognize the benefits of a more open market for Canada.

[*English*]

As a result of the work done by the committee of ministers on internal trade and by the chief negotiators, we achieved a comprehensive agreement. It provides for a rules based system for trade within Canada, a dispute settlement mechanism to resolve issues on internal trade matters, a standstill on new barriers, commitments to future negotiations to broaden and deepen the agreement, a code of conduct to prevent destructive competition for investment, increased labour mobility and a commitment to reconcile standards related measures. These are significant achievements.

[*Translation*]

Dispute settlement is a key component of this agreement as it is of any trade agreement. This agreement represents a unique response to circumstances that are uniquely Canadian. The agreement is based on rules which, in turn, are based on certain concepts and agreements that are well established in international trade but adapted to the Canadian context.

[*English*]

Well known examples include the GATT agreement, the European Union and NAFTA. There have been suggestions that we in Canada should just use one or other of these models in the Canadian situation. However, these suggestions overlook the important issue of the sovereignty of the parties to an agreement as well as the degree of political control the parties themselves are willing to give up to the compliance mechanism which is in place in the accord.

The agreement on internal trade sets out the framework and basic underpinnings for a dispute resolution mechanism approach that is unique to the Canadian context and provides for open access to the settlement process. This approach commits all parties to the use of conciliation to address problems arising from the provisions of the agreement, including its principles, its rules and its individual sectoral agreements.

• (1725)

The mandate of the committee on internal trade is to "assist in the resolution of disputes arising out of interpretations and applications of the agreement". The working philosophy of the committee and of the agreement is to use consultation and conciliation in dispute resolution.

Disputing parties will be encouraged to make every attempt through co–operation, consultation and other forms of dispute resolution to arrive at a solution. If consultation fails, governments or governments on behalf of individual persons or persons directly can ask to have matters raised with a panel. The panel will consider the facts and make recommendations for changing policies or behaviour, but it will not assess damages. The underlying objective of the process is to seek to change inconsistent behaviour and policies and not apply penalties or award damages.

Under the agreement, retaliation is only possible at the end of the dispute settlement process. Only in cases where the federal government was a complainant in a dispute and only where a province has refused for a year to change a measure found by an impartial panel to have violated the agreement could the federal government consider taking retaliatory action.

Such action would first have to be discussed with the committee on internal trade. Even then it could only be such as to have the equivalent economic effect to the measure that had originally violated the agreement and it would have to be taken in a sector specifically covered by the agreement. This is what the Bloc Quebecois is complaining about as an undue intrusion of the federal government into provincial affairs. I ask you, Mr. Speaker, if you have ever heard anything so ridiculous.

In addition to dispute resolution procedures, the bill also presents amendments to a number of other federal acts which need to be changed in order that we meet our obligations to the provinces and territories to make the changes to federal legislation and regulations necessary to implement the agreement which we signed last year. All parties to the agreement were informed on April 12 in Calgary that the federal government would be introducing these amendments in the near future.

Our work to date has emphasized the value of the co–operative approach to solving trade problems internally in Canada. Our work in the future will do so as well. That is the very reason the agreement on internal trade has been criticized by members of the Reform Party for not going far enough fast enough. Other members opposite would have had the government act unilaterally. They have suggested under sections 91(a) and 121 of the Constitution to impose free internal trade on the provinces. That is the very thing the other opposition party accuses us of having done. Both criticisms are purely and simply ill founded and wrong headed.

[*Translation*]

The government tried to resolve this country's problems in collaboration with the provincial governements. The process leading up to the Free Trade Agreement bears witness to this. It has been our approach in the past, it is our approach now and it is the only approach that any responsible Canadian government can take in the future. It is the only way to govern and that is what real power is.

Cases where the federal government is the grievor in a disagreement under the Free Trade Agreement will be few. If a dispute were settled in favour of the federal government and if the province in question were to refuse to respect the conclusions of the impartial panel, the federal government would have the right to withdraw equivalent benefits.

Such retaliatory measures should be taken in the same sector as the initial violation or in another sector covered by the accord.

[*English*]

Retaliation could not involve transfer payments or social programs because these things are not covered by the agreement. Bill C–88 does not make the federal government a policeman of the internal trade agreement as the official opposition has claimed.

[*Translation*]

Bill C–88 only covers the federal government's obligations under the interprovincial trade accord, nothing more. The interprovincial trade accord is a consensual accord. All parties to this accord are responsible for applying it in their own jurisdictions and for meeting its requirements.

[*English*]

What we have heard over this day of debate is a series of allegations founded on misapprehension, perhaps wilful misunderstanding of the contents of bills before the House.

The agreement on internal trade we want to see broadened, deepened and strengthened. There is a lot more work to do. I call on the official opposition, since the Government of Quebec has claimed to be a free trader, not to put up roadblocks to a real free internal trading market within Canada but to begin to support it with actions instead of protestations.

[*Translation*]

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., it is my duty to inform the House that, pursuant to Standing Order 81, proceedings on this motion have expired.

[*English*]

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

LEGAL RECOGNITION OF SAME SEX SPOUSES

The House resumed from April 26 consideration of the motion.

The Acting Speaker (Mr. Kilger): At the time of adjournment on Wednesday, April 26, 1995 the hon. member for Elk Island had seven minutes remaining for debate.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, this is the second time I have had a speech interrupted by a period of some two to three months. It is difficult to keep one's train of thought when that happens. However, I shall review the beginning of my speech and then carry on.

We are debating the motion put forward by the hon. member for Hochelaga—Maisonneuve which has to do with the government taking the necessary measures to recognize same sex spouses. In my intervention last April 26, before I was interrupted, I was stating that as legislators, we have a responsibility, an obligation, a high calling to do what is right for our country and its citizens. Very often debates such as this are limited because we allow our emotions to enter into them to such an extent that we sometimes fail to ask the real questions. We need to ask some very serious questions about this issue. Where are

we going as a society? How are we going to determine what is best in this regard?

I would like to submit several ideas for the criteria we could use in determining what is best. One which is very important, and which I alluded to in my last intervention, is that we need to listen to Canadians. That is so important. As members of Parliament we are sent here to represent our constituents according to what they want us to do.

We are all aware that Canadians have been expressing their views on this issue. There is a continual stream of petitions on the subject. Why do people do these things? Why do they get into the mode of asking questions of people? "Here is an issue. Do you agree with it? If you agree will you sign the petition?" They think a decision is about to be made which is of considerable importance to them. They want to express their opinions and have them represented in the House. Consequently, we have had many petitions in which the members of Parliament, the House of Commons assembled, have been petitioned to not change any laws that would indicate approval of same sex relationships or homosexuality.

• (1735)

That may on the surface appear to be somewhat intolerant, but the question needs to be asked: Are we experiencing the tyranny of the majority? Does the majority feel this way? According to statistics and various surveys that have been taken, by far the majority of Canadians believes that heterosexual couples are the ideal models for marriage and for family.

We would err if we were to ignore the advice from Canadians when they say: "Hold it here, legislators. There is a danger. You are embarking on dangerous ground. Stop, do not do this".

There have been other very notable instances where the wishes of Canadians have not been taken into account. I suppose the best example is the infamous GST. If I am not mistaken, there were more petitions presented on the GST than on any issue when it was being debated. However, the legislators of the day chose to ignore that advice and we now have on the books and in practice the most hated tax that Canada has ever had. It is so hated that we all know what happened to the government that brought it in.

It is incredible that the present government got elected on, among other things, a promise to eliminate the GST. That is how strongly Canadians felt about it. Consequently the GST is one of the best examples of government ignoring the advice of Canadians. There are some consequences to us in this place if we ignore advice and put through legislation anyway.

That would be one of the arguments I would put in favour of my view and in my opposition to this motion. We need to learn to increasingly trust and express the views of the Canadian people when they express themselves in this way.

Something else we ought to take into account is that this is not the tyranny of the majority. By saying we do not want to recognize same sex couples, we are not telling these people that it is justifiable to persecute them and to do other things that are not right to any member of our society. I would really emphasize that.

I grieve for anyone who is attacked, beaten up or assaulted. It does not matter to me whether that person is male or female, a native Canadian or an immigrant Canadian, or a Canadian who has been here for two or three generations. It also does not matter to me whether that person is a homosexual or a heterosexual. If that person is assaulted it is wrong. No Canadian should be deprived of the protection of law for such fundamental things as freedom of security and freedom of person. When we speak in opposition to this motion it is not because we are in any way condoning that type of activity.

In conclusion, I would like to say that it is my definite opinion and certainly the opinion of many who have communicated to me on this topic, that we need to promote, to the greatest extent possible, what we might label as the traditional family: the mother and father, the procreative couple, the family with children. Our taxation laws and laws on benefits should promote and encourage that kind of loving family relationship.

• (1740)

At the same time we say to these people who wish to engage in same sex relationships that there is presently nothing in the law preventing same sex relationships. Many of us disagree with it. It would be ill–advised of us as a Parliament and as a country to condone it, to approve it, to say that it is okay by voting in favour of a motion such as the one that we have before us.

With great respect for the member who brought forward this motion, I will not be able to support it.

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, from the outset I wish to advise the House that I do not support this motion.

This motion is specifically asking Parliament to encroach on a jurisdiction that is not within the domain of Parliament. This motion is asking Parliament to take the necessary measures for the legal recognition of same sex spouses.

In effect, Parliament is being asked to provide special legal status to homosexuals, thereby allowing them to redefine the family, to redefine marriage, to enter into the realm of sanctity of marriage, to allow homosexuals to adopt children, to enter into schools, education and infiltrate the curriculum within our school system and to impose an alternative lifestyle on our youth. This is unacceptable.

All these demands are encroaching on and undermining the inherent and inviolable rights of families. Families have existed before the church. Families have existed before the state. Parliament has absolutely no legal or constitutional authority to redefine family, or to enter into the realm of the sanctity of marriage.

It is important for the House to understand why this line of thinking is present here today and why such a motion would even be entertained on the floor of the House.

The first theme that we have to come to understand is that of freedom. At the collective level, people are saying that they want freedom to govern themselves, develop their own economies, to enhance their overall quality of life, and the freedom of choice.

Closely tied to this theme of freedom is our second theme, that is, the individual. At the personal level, people are saying that they want to be free to express themselves, free to work, free to worship, free to travel, free to be what they aspire to be and once again, individual freedom of choice.

Closely tied to our themes of freedom and individualism in our country is our third emphasis and that is pluralism. As a policy, pluralism contributes to collective and personal freedom by legitimizing diversity. It appears on the surface to resolve the issue of how different individuals who want to be free can live in community and harmony.

Our three themes of freedom, individualism and pluralism are now joined with our fourth theme in our country, relativism. The free expression of the individual and groups is made possible only by suspending value judgments about how people live or what choices people have made.

Truth has been replaced by relativism, which is the legitimization of diverse choice. Under the guise of equality and fairness, pluralism coupled with relativism has come to pervade Canadian minds and Canadian institutions.

Canadians have become conditioned to be tolerant, to respect, to appreciate diversity. The insistence that individuals must be free to think and free to behave without interference according to their conscience has been reinforced in our pluralistic secular society today.

The introduction of the Canadian Charter of Rights and Freedoms and the promotion of multiculturalism has once again reaffirmed Canada's goal of harmonious co–existence whereby the ideas, lifestyles and free thinking of all individuals must be accepted and respected to ensure equality and fairness.

To accept and to endorse the theory of pluralism coupled with relativism is to accept that truth is nothing more than personal opinion. Relativism in our pluralistic society has stripped us as Canadians of our ethical and moral guidelines. Justice, law and morality are inseparable. In Canada we cannot have laws unless our laws are just and moral.

• (1745)

The preamble to our Canadian Constitution set forth in the Constitution Act recognizes the supremacy of God in the rule of law. The recognition of the supremacy of God entrenches into the Constitution natural law, and therefore the laws of our country must not contravene natural law, for to do so the laws would be ultra vires or unconstitutional.

I refer to recent Supreme Court of Canada decision Nesbit and Egan. This decision was rendered on May 25, 1995 and the decision makers refer to the relevancy and the functional values underlining the law and that the Canadian charter of rights is not enacted in a vacuum but must be placed in its proper linguistic, philosophic and historical context.

Also Chief Justice Lamer and the majority of the Supreme Court judiciary stated quite eloquently: "Marriage has from time immemorial been firmly grounded in our legal tradition, one that is itself a reflection of longstanding philosophical and religious traditions, but its ultimate raison d'être transcends all of these and is firmly anchored in the biological and social realities that heterosexual couples have the unique ability to procreate, that most children are the product of these relationships and that they are generally cared for and nurtured by those who live in that relationship. In this sense marriage is by nature heterosexual".

The rights of family are being seriously undermined and eroded in Canada today. The conventional terms of debate in matters of political, economic and legal issues tend to focus on individual rights and the rights of state, not the rights of the family. This is unfortunate and must change, for the family is the most important reality in our lives. To redefine the family to include homosexual and lesbian relationships is immoral and unjust and a violation of the rights of the family which are well founded in both our Canadian and natural law.

The family unit is the basic institution of life and the solid foundation in which our forefathers have built this great nation. The protection of families, family life and family values must be a priority with the government. Families have inherent and inviolable rights. Families have existed before the church, families have existed before the state. The rights of family must be preserved, safeguarded and protected by Parliament.

To recognize same sex marriages would give credence to a faction in our society undermining and destroying our values, principles and morality. Such a special recognition of same sex marriage by Parliament is an overt acceptance and condonation of homosexuality being imposed on Canadians. It has the effect

of legislating a morality that is not supported by our Canadian principles, morals and values.

Canadians do not have to accept homosexuality as being natural and moral. Homosexuality is not natural. It is immoral and it is undermining the inherent rights and values of Canadian families and it must not and should not be condoned.

To endorse same sex marriages or to include the words sexual orientation in any federal legislation would allow homosexuals to obtain special legal status. It would allow them to redefine the family, to redefine marriage and enter into the realm of the sanctity of marriage, to adopt children, to enter into our schools and infiltrate the curriculum of our schools and to impose an alternative lifestyle on our youth. All these demands are encroaching on and undermining the inherent and inviolable rights of family.

Families have existed before the church and families have existed before the state. Parliament has absolutely no legal or constitutional authority to redefine family or to enter into the realm of sanctity of marriage. For Parliament to do so would encroach on the rights and responsibilities of family. It would also encroach on the rights of the church. I use the word church all inclusively.

Parliament must be reminded that separation of church and state has been respected for centuries. The state must not interfere in matters of church. However, the church has the right and responsibility to enter into and be concerned with matters of state. The power of church, and I use the word all inclusively, must not be underestimated. Over the last 25 years Parliament has gradually encroached on the rights of the church, the rights of family and the rights of life.

• (1750)

Over the last 25 years morality, an essential element in justice and legislation, has been gradually removed from our laws. Such examples are decriminalization of homosexuality, no fault divorce, facilitating and funding abortion and our Young Offenders Act. Now this motion before the House is requesting special legal status for homosexuals to allow them to redefine family, to undermine and erode and destroy the rights of family and to destroy the sanctity of marriage.

It is important for Parliament to be reminded that family is the basic institution of life. Life begins from the moment of conception and continues until natural death. In the words of the Supreme Court of Canada in Egan and Nesbit, marriage is heterosexual by nature.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I would like to say to the members of this House that I fully support the motion by my colleague for Hochelaga—Maisonneuve. As we know, this motion concerns legal recognition of same sex partners. In my opinion, we must remember, for the purposes of this debate, the limit my colleague wanted to set in his motion. We are not talking here about the right of same sex couples to marry or adopt. Debate on this matter, also a current issue, will take place later.

Today, we are trying to decide whether the Government of Canada should legally recognize couples of the same sex. I say it should. My support for the motion is based on certain observations, and I would like to present to you the conclusions I have drawn from them.

Individually, the members of a same sex couple enjoy the same rights as everyone else. This first point may seem rather obvious. However, I still think it should be made, because there is sometimes a tendency in some debates to assume that certain people are more equal than others. I am thinking here primarily of white heterosexual males.

Individuals who are homosexual are entitled to the same individual rights as everyone else and are also entitled to the same protection of these rights. Their constitutional rights, that is their basic freedoms, their democratic rights, their mobility rights, their legal rights, and their right to equality are guaranteed by the law and monitored by the courts. No government can set aside these rights with impunity. On the contrary, government has the obligation to ensure that everyone's rights are respected.

My second observation: homosexual couples are discriminated against.

Although homosexual individuals enjoy the same rights, individually and under the law, as their heterosexual neighbours, they become the subject of discrimination when in a relationship.

In fact, treatment accorded homosexual couples is completely opposite that given heterosexual couples. The courts have recognized this discrimination on many occasions, in cases involving the entitlement of members of homosexual couples to the benefits enjoyed by their heterosexual colleagues.

In Canada, several judges and arbitrators have had to analyze laws and collective agreements that did not recognize same sex spouses, thus denying these people the spousal rights and benefits provided under these statutory instruments. In several cases, after noting the existence of discrimination and its impact, the courts ordered employers to provide the same social benefits to both homosexual and heterosexual spouses.

Last week, the Supreme Court of Canada finally recognized sexual orientation as a prohibited ground of discrimination under the Canadian charter. However, on the issue of recognizing same sex spouses, the Supreme Court ruling clearly sends the ball back into Parliament's court. We can expect the conse-

quences of this decision to help lessen discrimination against homosexual and lesbian partners.

A third finding is that the cost of eliminating discriminatory policies will be minimal.

The legal recognition of same sex spouses would not cost a fortune, contrary to what some people may have feared. Although there are no detailed actuarial studies on the additional cost of extending social benefits to same sex spouses, we can look at the experience of employers who have recognized such couples.

• (1755)

Several private companies, organizations, and governments asked actuarial firms to assess the cost of proposed measures intended for same sex spouses. The experts surveyed concluded that the additional costs would be minimal, in the order of 0.5 to 1.5 per cent depending on the various social benefits being considered. The argument that costs would be prohibitive is therefore not valid.

Fourth and last, the public would support the recognition of same sex spouses.

Finally, in discussing new social policy—and that is what we are dealing with today—we must assess how acceptable this new policy is to the public. This is essential to the success of the operation. Often, governments that tried to impose changes without first securing public support were quickly called to order.

I think that the public is ready now for the legal recognition of same sex spouses. In Quebec—we are always different—you would even find greater support than in Canada.

According to an Environics poll conducted in Ontario in the spring of 1994, fifty–five per cent of respondents were prepared to recognize entitlement to social benefits for same sex spouses. An Angus Reid poll showed similar results across Canada. In Quebec, 73 per cent of respondents to a SOM poll conducted in the fall of 1993 were in favour.

To conclude, the members of this House should support the motion put forward by my colleague because it is a matter of justice and equity. First and foremost, it is a matter of justice because all individuals in our society are equal. Being equal, they should not be subject to discrimination when they join with another person to form a couple.

Second, it is a matter of equity because homosexual couples are not given the same treatment as heterosexual couples, and the only difference between the two is sexual orientation. Parliament must therefore encourage the government to take the measures necessary to put an end to this discrimination against same sex couples.

In turn, this stand for justice and equity may well prompt the public to exhibit a more positive attitude in terms of respecting differences, something we really need in our society if we want it to be a better place, with less violence and hatred.

This motion does not ask for the recognition of special rights, but for the enforcement of the right to equality. That is why I urge this House to vote for the motion put forward by my hon. colleague from Hochelaga—Maisonneuve.

[*English*]

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to this motion which calls on the government to take the necessary measures for the legal recognition of same sex spouses.

I commend my colleague from Hochelaga—Maisonneuve for his initiative in bringing up this issue; it is timely and exceedingly important.

Before I discuss my views on the question I state clearly and unequivocally I reject the suggestion this debate is blasphemy or that those who would promote equality are part of some conspiracy to kidnap our children.

In due course the government will have to address this issue. The precious moments of private members' business at the end of each day provide an opportunity for us to express our personal views, and I am pleased to do so.

I have spoken in the House in support of the hate crimes provisions of Bill C–41 and in support of amending the Canadian Human Rights Act. I have encouraged my colleagues on all sides of the House to support these initiatives. I have supported them because these initiatives are the right and decent thing to do as Canadians.

Amending the Canadian Human Rights Act is a matter of fundamental justice and equality. The goal of the act is not to confer special rights on anyone but rather to ensure equal rights for everyone. The measures we have taken in Bill C–41, the proposed amendments of the human rights act when they are introduced, are totally consistent with the commitment we have as Liberals and as Canadians to attack hatred and discrimination and promote tolerance.

• (1800)

I am pleased that in its ruling last Thursday the Supreme Court of Canada unanimously agreed that sexual orientation should be read into section 15 of the charter, thus barring discrimination against gays and lesbians. It is an important step toward full equality for all members of Canadian society.

On the thornier issue, the more difficult issue of extending benefits to same sex couples living together, the court was split. It will soon be up to us as legislators to decide what actions we should take as we consider the question in the debate today and in the weeks ahead.

I want to make it clear that extending recognition to non–traditional relationships is not an attempt to undermine the family, but it is rather an effort to recognize today's realities and to end discrimination. Traditional families remain the majority and a fundamental building block of society. But we cannot ignore that there are different types of family units that exist today.

In response to a question put forward by the member for Hochelaga—Maisonneuve dealing with the Egan and Nesbit supreme court ruling and the extension of same sex benefits, the Minister of Justice expressed views before the Standing Committee on Human Rights and the Status of Disabled Persons to the following effect. When we talk about extending benefits we should be looking at relationships and dependency instead of exclusively sexual criteria to define those relationships. We should be thinking of a brother and sister living together, a son taking care of an elderly mother, a mother taking care of an adult daughter, and other types of relationships where adults depend on each other emotionally and financially. And there are many such cases in this complex society.

I think the Minister of Justice has put forward an interesting and innovative proposition, and I would be ready to support that position. However, I must stress that we have no immediate intention of introducing such legislation. We must engage in a full cost analysis and we must have a full debate in the House.

I want to add that the benefits we need to consider granting to partners in non–traditional relationships go beyond monetary ones. Even if the government has yet to put same sex relationships on an equal footing with more traditional ones, I firmly believe that measures should be taken to prevent incidents of discrimination in the workplace and we should be looking seriously at bereavement leave and family care leave to same sex partners.

Ironically, while we as elected officials are anxious to provide leadership on these issues, it is the courts and the private sector who are doing so, doing the right and courageous things by protecting the rights of all Canadians.

In its 1994 annual report the Canadian Human Rights Commission listed major private institutions offering such arrangements, firms such as BC–Tel, Hudson's Bay Company, Northern Telecom, Southam Publishing, Shell Canada, Levi Strauss, Toronto Sun Publishing Corporation, Dow Chemical, and the Toronto Dominion Bank. Canada Post entered into an agreement with the Canadian Union of Postal Workers that would provide same sex benefits for its 52,000 members.

I think the Human Rights Commissioner expressed it best when he said in reference to these corporations: "All of this should deliver a simple message. Institutions of this sort are not wild–eyed reformers. They are not interested in endorsing certain lifestyles or debating the meaning of the word spouse. They are changing their practices to bring them into line with the intent of the charter, provincial law and a growing body of jurisprudence". And I might add, to bring them into consistency with reality.

As I conclude and I look at the clock, it may be 1805 to some members of the House, but on this side of the House it is 1995. Discrimination, bigotry, ignorance persist. One of my goals as an elected member of Parliament is to work toward ending all forms of discrimination. In that effort, I invite the help of my colleagues on both sides of the House. This is not an Ozzie and Harriet world, however much we might wish it would be. I look forward to working with hon. members on both sides of the House on these important issues.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, this, in my opinion, is the most important piece of private members' business presently before the House. There is no more pressing issue facing the House than in what direction we as parliamentarians want to take the morality of the country.

• (1805)

Our actions as parliamentarians have consequences. We must take extreme care not to subvert institutions that form the fabric of our society and way of life. This motion would do just that. That is why I am strongly, unreservedly, and unapologetically speaking against it. That is why, as an elected representative of the families of my riding, I will fight against any move by this or any government to subvert or undermine traditional family values. The family is the very building block of our society, not individuals, because individuals alone cannot maintain and sustain our country, only families can. It is in this defence of the family, the most important and basic union of all, that I give this speech.

I am one of those not so rare people who believe that law is about morality. I believe it is impossible to separate law and morality. All laws are either based on or express a fundamental view of ordering of human relations. That, whether we like it or not, is morality.

I am also one of those people who believe that a liberal democratic society founded upon rights requires a certain kind of moral grounding if it hopes to function. Therefore, if you are like me and you accept these premises, then you must also accept the conclusion that government must not pass laws that threaten the morality upon which fundamental structures of our society are built. It is not only undemocratic, it is dangerous. Government must serve its citizens. It must respect and promote the morality that is the consensus of its citizens. It must not attack it. It must not threaten it. It must rarely seek to change it.

This government does not agree with me. The government and the hon. member from the Bloc who sponsored today's motion think that it is the role of government to subvert the consensually accepted morality of our society, not universally accepted, of course, as no single moral rule is ever universally accepted, but consensually accepted.

Poll after poll show that Canadians are overwhelmingly opposed to changing the definition of family to include homosexual unions. People are overwhelmingly opposed to giving homosexual unions moral and legal parity with the union that sustains our country and sustains our species, that of man and woman. Canadians are overwhelmingly opposed to giving in to the vocal if irrational demands of the 2 per cent of the population who think that sexual preference does not matter when talking about family. However, that does not stop the gay rights ideologues and the radical attackers of the family from shamelessly promoting their narrow special interest cause.

Our Supreme Court is waiting for the House to make its decision on the family. It is waiting for a message from the House. The message my colleague from the Bloc wants to send is that there is no morality, that Canadian law should promote homosexuality, and that the traditional male–female union is not the best model of a family history could ever devise. He is wrong, and I hope that the motion and any other laws like it are stopped before the moral fabric of the country is rent apart by narrow interests' societal engineering.

A respected professor of political history and human rights at Claremont College in California has said that the gay rights movement is the most radical and sinister challenge to emerge to not just sexual morality but to all morality. He did not say that lightly or flippantly, and neither do I. Morality, the structured relations of humans with one another, is based on our natural affinities. It is based upon the fact that we are all human. Human rights are just that: rights that are based upon our common natural humanity.

Nature is the basis of all humanity. It must be. Convention is not enough. Common agreement is not enough. This is a bond to break down in the face of opposition. Morality is, has been, and always will be based on our natural condition as fellow members of the human race, dedicated to self–preservation and the good functioning of our communities.

Allow me to cite Professor Jaffa again, because he puts this argument so well. The reason we regard the killing of people as a personal and societal wrong is because we share a common nature. The reason we regard the enslavement of people as wrong and not the enslavement of cattle, for example, is because we share a common nature with people. That commonality, which is the basis of all morality, is grounded in nature.

• (1810)

Homosexuality, to anyone who has not been brainwashed by the last decade of effective propaganda by the gay lobby, is unnatural. It is a repudiation of nature. Nature requires procreation. Morality must defend the continuation of humanity. Rights must protect those things that promote the continuation of our country and of our species. Homosexuality does none of these things. Homosexuality is nihilistic. It protects nothing, it defends nothing, it continues nothing, and it sustains nothing.

The call for so–called gay rights is an example of an extreme repudiation of nature, an extreme repudiation of morality, an extreme repudiation of every ground upon which we base human rights. There lies the irony and there lies the tragedy of the project our justice minister and his colleagues are embarking on in Bill C–41 and the amendments to the Canadian Human Rights Act. There lies the tragedy of the failure of our highest court to firmly and unequivocally defend morality. There lies the tragedy of this government's apparent unwillingness to send a strong message to the courts about the need to protect the family.

Canadians agree with me that we need to protect the family because Canadians have more sense possibly than the justice minister, more sense than my colleague from the Bloc, more sense than my colleague from Burnaby—Kingsway. Canadians understand the importance of the family and of the necessity of natural relationships to our society.

Canadians may not have the fancy rhetoric or the well practised if wrong headed arguments of the gay lobby, but they do have common sense. They have the lessons of history, and that is what this House should be defending and representing.

Governments have defined the family as a man and a woman because that works and because we need that sort of family. It is not because we want to punish someone for not choosing that lifestyle but because we want to reward those who do. We confer benefits upon that kind of union because it provides benefits for us. We have protected that sort of family because it protects our children and ultimately us.

We legally recognize the natural family because we want to promote it. We as a society have the right to defend and protect those institutions that benefit our society. We are under no obligation to protect and codify into law unions or lifestyles that confer no societal benefit. And when there is damage that will be inevitably done to our society and to our shared collective morality by the legal recognition and therefore promotion of homosexuality, we are under no obligation to recognize that lifestyle under law, none whatsoever. We are, however, under an obligation to protect the family from attacks by special interests.

Let me finish by saying that I have never in my experience, inside or outside of this House, heard anyone call for active discrimination against individual homosexuals. No doubt some will build strawman arguments by suggesting that the opponents of the legal recognition of homosexual unions are in favour of this. That is pure nonsense and pure fear mongering. That is up to individuals. However, when someone who prefers living a certain lifestyle that demands of me as a citizen and a legislator that I codify government support for the union that lifestyle spawns, then they are asking for me to approve of, promote, and support that lifestyle. They are asking for my sanction on that union.

As someone who is dedicated to Canada and to the families of Canada, you can count me out. I will not support any measure in law that attempts to make homosexual unions and natural families equal. My constituents have spoken loud and clear. I, unlike some members of this House, including the justice minister, have been listening.

I encourage all Canadians from all over this country to start a campaign. I urge all Canadians, in the name of the preservation of our families, to let your MP, the justice minister, and the Prime Minister know how you feel about the preservation of the family. Stand up for what works in our country. Stand up for the family. Fight back with common sense against motions of this nature.

I urge all hon. colleagues to defeat this motion.

• (1815)

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I want to look at the exact wording of this motion. I have been listening to people going off on tangents talking about things that are absolutely irrelevant to the motion before the House today. The motion states:

> That, in the opinion of this House, the government should take the measures necessary for the legal recognition of same sex spouses.

There is no such thing in this country at the present time as a same sex spouse. Spouses are heterosexual. Spouses are husband and wife either legally married or common law. That is the legal fact in this country now. The words of the motion are simply incorrect to begin with. At best the motion should perhaps read: "That, in the opinion of this House the government should take the measures necessary for the legal recognition of same sex couples".

What the mover of the motion wants is that same sex couples be given legal recognition. How? By being called spouses. What does that mean? It means this motion is calling for this House to recognize two people of the same sex to be legally married. There is absolutely no other possible interpretation of this motion.

The motion calls for the legal recognition of same sex spouses. We cannot recognize same sex spouses legally unless we declare them spouses. The only way to declare them spouses is to marry them. There is absolutely no question at all about what this motion is calling upon Parliament to do. I do not care how they try to pretend it does not do this, the words themselves say it. They want this House to declare homosexual unions as legal marriages.

What do my constituents say about that proposition? It just so happens I have asked my constituents that very question. I want to read one of the questions I asked them. I will not read them all because I want to keep my comments relevant to the motion we are discussing, unlike some people who have spoken here. The question was: Do you want same sex marriages to be legally recognized as the equivalent of heterosexual marriages—pretty straightforward—including the right to sponsor same sex spouses or fiancés for immigration purposes? The answer was crystal clear: 84 per cent of my constituents said no; 13 per cent said yes; and 3 per cent were undecided. Eighty–four per cent.

In my respectful submission, there is no poll that could be taken anywhere in this country that would deviate from those numbers significantly. That is simply a fact. My constituents do not want homosexual unions to be recognized as marriages.

It has nothing to do with fear. It has nothing to do with hate. It has nothing to do with equality. It has nothing to do with homophobia. It has to do with promoting and giving advantage to that which promotes and gives advantage to society.

People have talked about inequality. I stand here as a white male. I admit it and I make no apologies for the fact I was born a male or that I was born a Caucasian. That is the way I am. The fact is that everyone in this country is equal under the law. The charter of rights and freedoms provides that everyone is equal under the law. There is not a criminal matter, there is nothing that I am entitled to as a matter of law that no one else is entitled to.

• (1820)

There is often a distinction made or a distinction tried to be played between a right and a benefit. A benefit is not a right. No matter how we call it, no matter how we try to disguise it, a benefit will never become a right. One is not entitled to it as a matter of right; one is entitled to it after meeting certain criteria.

The debate then has to be as to what kind of benefits we want to give to what kind of people. We can talk about that as much as we want but not under the rubric, at least not with logic, of this motion. This motion is not talking about benefits. This motion is not talking about equality. This motion is talking plainly and simply about asking this Parliament to legally recognize same sex unions as a marriage because there is no other way to legally recognize same sex spouses.

I repeat that someone cannot be a spouse unless he or she is married. The only way to recognize same sex spouses is to recognize the legality of the marriage of same sex spouses. Why should we not do that?

The Supreme Court has spoken and four of the judges, including the chief justice, had a few interesting comments to make. I wish to quote directly from the decision. I am talking about marriage. That is what we are talking about in this motion.

The decision states: "Suffice it to say that marriage has from time immemorial been firmly grounded in our legal tradition, one that is itself a reflection of longstanding philosophical and religious traditions. But its ultimate raison d'être transcends all of these and is firmly anchored in the biological and social realities that heterosexual couples have the unique ability to procreate, that most children are the product of these relationships and that they are generally cared for and nurtured by those who live in that relationship. In this sense", say these justices of the Supreme Court, "marriage is by nature heterosexual".

The decision goes on: "It would be possible to legally define marriage to include homosexual couples", which is what this motion wants. Yes, it would be possible but this would not change the biological and social realities that underlie the traditional marriage. We can call a homosexual union what we want but it is not a marriage. That is what this particular motion wants.

The court then went on to consider that it is perfectly legitimate in Canadian society for Canadian society to promote the traditional heterosexual biological family. There is nothing wrong in doing that and it is not discrimination according to the justices.

Why not? I quote again from the judgment: "The singling out of legally married and common law couples as the recipients of benefits necessarily excludes all sorts of other couples living together, such as brothers and sisters or other relatives regardless of sex and others who are not related, whatever reasons these other couples may have for doing so and whatever their sexual orientation". Of course it excludes them if we are promoting the traditional family.

The court goes on to say: "Homosexual couples, it is true, differ from other excluded couples in that their relationship includes a sexual aspect, but this sexual aspect has nothing to do with the social objectives for which Parliament affords a measure of support to married couples and those who live in a common law relationship. In a word, the distinction made by Parliament is grounded in a social relationship, a social unit that is fundamental to society and that is the heterosexual biological traditional family".

• (1825)

The court states homosexual couples are not therefore discriminated against, that is to say when society provides benefits to the heterosexual couples. They are simply included with other types of couples such as brothers and sisters, boyfriend and girlfriend, two sisters living together who are also excluded. The court specifically said, at least four of the judges, that there was no discrimination.

My constituents have spoken clearly no matter how one pretends to hide what this motion means; it means House of Commons, declare homosexual unions, marriages under the laws of Canada.

My constituents have said no. I say no.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to participate in the debate on the motion tabled by the hon. member for Hochelaga—Maisonneuve, asking the government to take the measures necessary for the legal recognition of same sex spouses.

I listened carefully to the comments of many members who oppose the motion. I think we have to put things in their proper context. The fact is that there are same sex couples engaged in a relation which is in every way similar to that of heterosexual couples.

That is the reality. And it is a reality which we must respect, primarily because these are human beings engaged in an emotional relationship. These people also happen to be citizens who have a right to enjoy the same benefits as any other Canadian, and that includes the provisions of the Charter of Rights and Freedoms, which I will discuss later on.

It is essential to keep the notion of respect in mind, otherwise we quickly fall into stereotyping, an attitude which, for centuries, has had the effect of marginalizing and stigmatizing same sex couples. The time has come to put an end to that in Canada.

In our country, same sex relations were decriminalized in 1968. Consequently, the issue that we are discussing today does not fall under the Criminal Code. It is absolutely unfair, demagogic and unacceptable to assimilate the lives of people engaged in same sex relationships to those of people engaged in sexual deviations prohibited in the Criminal Code.

In 1968, under Prime Minister Trudeau and justice minister Turner, homosexual relations stopped being considered a crime in Canada. We are talking about relations which are accepted in our society, which are not criminal in any way, and which are experienced by Canadian citizens.

These Canadians are also entitled to the benefits of the 1982 Canadian Charter of Rights and Freedom. As you know, the charter prohibits discrimination, specifically discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. I think that sexual orientation falls into the same category as the grounds listed in section 15 of the charter.

In today's society, same sex spouses can use section 15 of the charter of rights and freedoms to put a stop to any discrimination against them. I believe that the latest decision made by the Supreme Court in this area, the Egan decision, recognized that fact. It indicated that discrimination based on sexual orientation is similar to all the other types of discrimination mentioned in section 15 of the charter.

• (1830)

Now, could any breach of the charter be justified? I do not think so. As you know, pursuant to some provisions in the charter, under some circumstances, some types of discrimination can be accepted, but I do not think it would apply to homosexuals, because we do not see how it could be justified.

Why could discrimination based on religion, race, colour or age be prohibited, but discrimination based on sexual orientation allowed, when homosexuality has not been illegal in Canada since 1968? Of course, there is some opposition to this motion, as we heard from some of the previous speakers, but I think some members are mixing everything up and are raising issues which have nothing to do with the motion put forward by my colleague, the hon. member for Hochelaga—Maisonneuve.

They talk about family and marriage. In the motion before the House, we are not trying to redefine family or marriage. We are only trying to put a stop to the discrimination against same sex spouses in Canada. My colleague is not asking Parliament to recognize that two individuals of the same sex who live as a couple constitute a family. He is not asking Parliament to decide if they are married or not. This issue may be debated at another time, but the object of today's motion is only to recognize that two homosexuals having a stable relationship can enjoy the same benefits the Canadian government and Canadian legislation give to legally married spouses or common law partners.

While listening to the previous speakers, I realized that the arguments they used must be the same arguments that came up during the debates over the Divorce Act or other bills granting benefits to common law spouses. They would have said that we are attacking the family and the whole concept of marriage, but that is not the case.

Obviously, the legislation concerning divorce in Canada and giving some benefits to common law spouses have in no way undermined the concept of family in Canada. I see that my time is up. I hope I will be able to complete my speech during the third hour of debate on this motion.

The Acting Speaker (Mr. Kilger): The hon. member for Jonquière is absolutely right. Next time the motion tabled by the hon. member for Hochelaga—Maisonneuve is called, he will have the opportunity to complete his remarks in the third hour of debate.

The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, because of the amendments to the clean water act recently passed by the United States house of representatives and in light of a recent study identifying Canadian and American sources of dioxins, furans and hexachlorobenzenes which are making their way into the Great Lakes, on May 19 I asked the Minister of the Environment what action is being taken to ensure water quality of the Great Lakes.

The study I am referring to is by Dr. Barry Commoner, at the Centre for the Biology of Natural Systems in Flushing, New York. He warns about dioxins and dioxin like compounds because they are highly toxic chemicals produced by industrial processes and waste incineration.

These processes have been linked with cancer and are believed to interfere with the reproductive capacities of many species. Scientists warn also that dioxins contribute to the rising levels of breast and testicular cancer and declining sperm counts in humans.

From the report we learned that the vast majority of the dioxin deposited in the Great Lakes originates in the United States. We also learned incineration of medical waste accounts for 51 per cent of all airborne dioxin entering the lakes. Municipal waste incinerators account for some 24 per cent and cement kilns burning hazardous waste account for 4.9 per cent.

Research into dioxin exposure in Canada by researchers at Boston University's School of Public Health suggests there is no safe limit of exposure to these toxic chemicals.

In light of Dr. Commoner's findings and recommendations from the international joint commission in its fifth biennial report on Great Lakes water quality urging action to stop the inflow of persistent toxic substances into the Great Lakes, I ask the minister's parliamentary secretary whether he can inform the House what the Government of Canada intends to do with respect to this very serious matter. Does the government intend to negotiate a reduction of dioxin emissions in the U.S. under the Canada–U.S. air quality accord?

Measures are needed which will protect the health of Canadians and North American ecosystems. I look forward to the parliamentary secretary's reply.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I share the hon. member's deep concern about dioxins and furans. They are a proven and very important source of cancer. The sources of dioxins and furans are several: municipal incinerators, waste incinerators, effluence from steel mills and pulp mills.

The big problem is that under our main legislation dealing with toxic substances, the Canadian Environmental Protection Act, we have dealt with dioxins and furans with regard to plant effluence; however, we have not dealt with air emissions with regard to dioxins and furans.

The Standing Committee on the Environment and Sustainable Development is now reviewing the Canadian Environmental Protection Act. It is my fervent hope that under the leadership of the chairman of the committee we will recommend to the government air emissions be included within the CEPA as soon as possible.

With respect to the air quality accord with the United States, the accord effectively provides for a mutual commitment between the two countries to monitor and control air flows with regard to air pollution. I commit myself to raising this matter as soon as possible with the Minister of the Environment to see what can be done under the air quality accord with the United States.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.38 p.m.)

HOUSE OF COMMONS

Friday, June 2, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT AND MARKETING CO–OPERATIVES LOANS ACT

The House proceeded to the consideration of Bill C–75, an act to amend the Farm Improvement and Marketing Co–Operatives Loans Act, as reported (without amendment) from the committee.

Hon. Allan Rock (for the Minister of Agriculture and Agri–Food, Lib.) moved that the bill be concurred in.

(Motion agreed to.)

Mr. Rock (for the Minister of Agriculture and Agri–Food) moved that the bill be read the third time and passed.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, as members prepare to give Bill C–75, an act to amend the Farm Improvement and Marketing Co–Operatives Loans Act, or as we refer to it in the abbreviated form of FIMCLA, consideration for third reading, I would like to review some of the reasons we are anxious to have the bill passed into law as soon as possible.

FIMCLA is designed to increase the availability of credit on reasonable terms to farmers and farmer owned co–operatives. Farmers can borrow up to $250,000 to invest in new technology and equipment or for a wide range of farm improvement projects. Farmer owned co–operatives can get loans up to $3 million to invest in facilities to add value to their farm products, for example the washing or packing plants for vegetables, fruit juice plants or many other applications.

These loans to co–ops must be approved by the Minister of Agriculture and Agri–Food. This is the only national loan guarantee program that can be accessed by farmers across Canada. Like other business sectors, the farm economy goes through cycles and changing credit conditions. Loan guarantees are an important tool that governments can use to ensure that credit is readily available to viable farm enterprises throughout the business cycle.

Bill C–75 will change only one clause in the act. That is the raising of the total amount of loans which can be guaranteed under FIMCLA over a five–year period of time from $1.5 billion to $3 billion. If this amendment is not passed we will soon reach the loan cap and we will have to suspend the program possibly for as long as two years. We have almost reached the point of having to suspend the program already it is so successful.

The Department of Agriculture and Agri–Food should give lenders 60 days notice if it will not be able to guarantee loans under the program. Since we expect to reach the present guarantee limit of $1.5 billion by the end of July, it is imperative that the legislation be passed as quickly as possible. Clearly, we do not want to reach the point of having to suspend the program.

The Farm Improvement and Co–Operatives Loans Act program is very popular. It is becoming more so every year. Over the last five years the number of loans registered under the program has more than tripled, from about 4,890 loans in the year 1990–91 to over 18,000 loans in the year 1994–95. The value of those loans has climbed from just under $82 million in the year 1990–91 to $515 million of loans that have been guaranteed in the year 1994–95.

We expect the activity for this year to reach $550 million. That will bring the five–year aggregate to the $1.5 billion level. With the current level of approvals, it should stay there for the next few years. At that level, a $3 billion cap will allow us to continue offering the program.

We attribute the increased loan activity to a number of factors: sustained lower interest rates and an improved farm debt situation, not as improved as we would like to see it but it certainly has improved from where it was in the past; greater participation by independent rural lenders; improved marketing of the program; and increased competition between lending institutions.

I would like to expand for a moment on the point about increased participation of rural lenders. In the early 1990s the

department began to encourage credit unions and caisses populaires to make the program more available to their customers. This has resulted in the addition of about 600 new designated lenders across the country. Besides adding more outlets for getting FIMCLA loans, this marketing change has also generated more competition between institutions for loans, all to the benefit of the borrowers, being the co–ops and the farmers themselves.

• (1010)

I said that the program had become more popular recently. Quebec and Alberta are the sources of most of the new growth. In Quebec we can thank the caisses populaires Desjardins. That movement has become a major participant. We can credit it for the rapid growth of loans in Quebec under FIMCLA. Quebec has now the third highest number of loans.

Just ahead of Quebec is Alberta which has the second highest number of loans. In that province the government owned Alberta Treasury Branches has become a significant lender under FIMCLA Saskatchewan. However, it is still the biggest user of the program. In 1994–95 that province accounted for roughly half of all the registered loans.

FIMCLA has proven to be a very inexpensive way for the government to support the agri–food sector. Over 30 years, costs have averaged over just $1 million a year, roughly 1 per cent of annual loans. Over the past three years the program has returned $6.3 million to the consolidated revenue fund.

In order to reduce the program costs even further, we will be increasing the registration fee by a small amount, one quarter of 1 per cent. This will raise the average registration fee by $67. It will now become $202 on average. Still, we must agree it is a very reasonable cost to provide such a guarantee and program to the co–operative movement and to the primary producers, the Canadian farmers. Had this fee level been in place over the past 30 years, net costs would have averaged $434,000 a year instead of $1 million.

To allay the concerns that the government's 95 per cent guarantee is actually a subsidy to lenders, I should point out that the net losses under FIMCLA have historically been lower than the losses lenders have incurred on loans guaranteed outside the program. We are certainly proud in the agri–food industry that those losses are at less than 1 per cent. That is a tremendous record and one which the agri–food industry should be and is proud of.

The program and the amendments have the support of the major farm groups and the commercial lenders across Canada. I urge members on both sides of the House to support quick passage of Bill C–75 so that there is no disruption in the program for the agri–food industry in Canada.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, it is with pleasure that I rise this morning to participate in the debate on Bill C–75 at third reading.

As we said earlier, the purpose of the only amendment to the Farm Improvement and Marketing Cooperatives Loans Act is to double the number of loans guaranteed under this act.

As the parliamentary secretary to the Minister of Agriculture and Agri–Food explained so well, this change simply increases the limit of guarantees on loans made by banking institutions. The current limit is $1.5 billion. Bill C–75 would increase this limit to $3 billion.

This increase is said to be in line with the increased needs of many farmers and would facilitate access to financing.

Our position on Bill C–75 has not changed. To benefit our farmers and make their lives easier, we in the Bloc Quebecois will support the amendment proposed by Bill C–75. We therefore endorse raising the limit from $1.5 billion to $3 billion.

However, I wish to point out that, although we support Bill C–75 for our farmers' sake, this short term solution is not the one favoured by the Bloc Quebecois.

• (1015)

In the current federalist context, the provinces face the "mission impossible" of obtaining even a minimal degree of autonomy from the federal government, which is trying to take one power after another away from the provinces through its spending power. That is why we must support this temporary solution, to allow the government to go forward with Bill C–75 so that farmers in Canada and Quebec can have access to more funds, of course.

Although this is a fundamental aspect, I want to draw your attention to the duplication bills such as this one generate. The real question we should ask this morning is not whether the limit established by the Farm Improvement and Marketing Cooperatives Loans Act is high enough, but whether the program itself is basically sound.

According to Agriculture Canada figures, the increased demand for loan guarantees justifies the amendment proposed by Bill C–75. Farmers must, of course, have access to financing in order to improve or expand their facilities. We are not questioning this fact. The question we must ask this morning is, "What is the most efficient way to meet farmers' needs?"

In Quebec at the present time, there are three organizations that help farmers secure financing or can do so. There is the Société de financement agricole, which is under provincial jurisdiction, the Farm Credit Corporation, under federal jurisdiction, and the bill before us today, to amend the Farm improvement and Marketing Cooperatives Loans Act, the latter also coming under federal jurisdiction.

This is a fine example of this government's and this country's mismanagement. You have two different wickets at the same level of government offering loans to the same group of people.

Let me share with you what three farm producers from the federal electoral district of Frontenac told me when I had the chance to visit them a while ago. One of them described the problems he encountered trying to get funding to expand his family farm.

I phoned him this morning and took a few notes, because I wanted to be able to quote specific figures. I asked him if he was aware of the three choices he had. And that, I must point out, contradicts what my colleague, the parliamentary secretary to the Minister of Agriculture and Agri–Food, said a moment ago. He told me he was aware of only two sources of funding: the Société de financement agricole and the Farm Credit Corporation.

I said: "There is a third one, you know", and I gave him the seven or eight letter acronym. "Pardon my ignorance, he said, but I had never heard of this Farm Improvement and Marketing Cooperatives Loans Act until 8:20 this morning, when you told me about it". And this is a farm producer who had been negotiating with both the Société de financement agricole and the Farm Credit Corporation for five long months, from December to May. This is a good example of duplication.

• (1020)

If this government wishes our farm producers well, why does it not have a single wicket? At present, there are three choices, three wickets, and the third one, which we are debating this morning, is all but unknown to Quebecer producers. To decide whether to borrow from the Quebec Société de financement agricole or the federal Farm Credit Corporation, in many instances, our producers must set out on long and difficult consultations with financial institutions to make sure they get the best deal possible.

I asked that farmer: in the end, did you go to the Farm Credit Corporation or the Société de financement agricole? The Liberal members opposite, who are supposed to represent farmers from the Pacific to the Atlantic, should listen carefully. That person said that the best option for him was to go to the Société de financement agricole, which is under Quebec's jurisdiction.

I was happy to hear that, and I asked him how he came to that conclusion. It is not because he is a PQ or BQ partisan. He made that decision simply because it was the best option. He told me about contacting other lending institutions, namely the Royal Bank, the National Bank and the caisses populaires, and how he managed to get for his $750,000 loan a rate which is 0.75 per cent lower.

I am proud to say that our farmers have now become businespeople running small businesses requiring investments which are often in excess of one million dollars. Consequently, they have to do some calculations, to think carefully and to choose the option best suited to their needs. This morning, that farmer also told me that this 0.75 per cent lower interest rate would result in annual savings of $6,000 to $7,500. He added that, by using these savings to lower the borrowed capital, he will, over the next 25 years, save an enormous amount of money, which is in the six figures.

This is the story of a farmer who talked to me this morning about these three borrowing options, one of which he was not at all aware of. I fail to see why the government is so intent on duplicating existing structures, with the result that in the same city and region there are two offices to deal with the same group of farmers.

• (1025)

Another friend of mine, who is involved in the dairy industry, said, in reference to the 50/50 split between industrial and fluid milk, that dairy producers were privileged in that they have two ministers of agriculture. One, whom they do not know, does not understand them and looks after two teats—that is, those which give the industrial milk—and the other one, whom they know very well, Marcel Landry, the Quebec minister of agriculture, who is a Quebecer like them, who is accessible, who can be reached any day, who understands them, and who visits them not just once a year, but whenever they want to see him.

Can the same be said of the federal Minister of Agriculture? Unfortunately, he never has time for people from Quebec, but he always manages to make time for western grain producers. It sounds a little like the Supreme Court, this tendency to favour to the West.

I agree that these three agencies—the Société du financement agricole, the Farm Credit Corporation and the FIMCLA we are discussing this morning in this debate on Bill C–75—offer programs that differ in a number of respects, so they do not interfere with each other. That is the impression we get initially. However, if we take a closer look, we soon realize that farm producers would be better served if all these programs could be accessed in a single location. It would be much more efficient to have programs that are complementary but with the same requirements, than to face filling out three different applications because the criteria are not the same.

If for instance the Société de financement agricole had access to the resources of the two other agencies, it could offer new programs. The SFA could become a single wicket centre. For years, the federal government has made a habit of making certain programs unnecessarily complex and in some cases almost inaccessible. A good example in Quebec is manpower training, where we are losing $265 million because two levels of government are involved. And even worse, our people do not get full value for the money that goes into these programs. There is a lot of interfering and shoving, and the neediest members of our

society end up having to pay for this exercise in futility. Need I repeat that manpower training is a provincial matter.

In fact, a province like Quebec, may decide to set criteria that are not compatible with what the federal government has decided to do. These criteria may be better adapted to the province's needs and current situation but not fit into the federal mould.

Let us assume that in Quebec, the Société du financement agricole has standards that are stricter than those of the FIMCLA referred to in Bill C–75. By setting up parallel programs, the federal government would undermine what the provincial government is doing, in this case the Government of Quebec, and if the province's objective is part of a strategy to develop the agricultural industry, that is just too bad.

Let us assume that the SFA wanted to do something about the alarming increase in farm debt by adopting certain criteria.

• (1030)

But it would not really be free to implement its decisions, because some federal agency would come along and decide that this would conflict with its priorities. Period. Once again, the federal government, with its unlimited power to spend, has the bigger end of the stick. To hell with the deficit. In 1970, this country was almost deficitless. And now, 25 years later, it is saddled with an accumulated deficit of over $550 billion, and need I remind you of the unpleasant fact that, during those 25 years, with the exception of the nine year Conservative reign, this country has been governed by the Liberals.

Mr. Bernier (Mégantic—Compton—Stanstead, BQ): Two and two make four.

Mr. Chrétien (Frontenac): In this case, apparently two and two makes four and a little more, it would seem. And now, I will open a chapter which will again be unpleasant for some of the hon. members opposite. The government of Quebec has decided to launch an investigation into the mismanagement of the crown corporation Hydro Québec. I must say that, when I was a teen, Hydro Québec was the pride and joy of all Quebecers.

Unfortunately, today, public satisfaction with this crown corporation of which we were so proud 20 or 25 years ago has sagged so low that obviously it has almost become a source of public shame. But, the government of Quebec was not afraid to launch an investigation. I ask my dear colleagues across the way why they refused to launch an inquiry into the attempted privatization of the Pearson Airport, from which, as everybody knows, the big wheels of Canadian finance made hundreds of millions? Why are you refusing to hold an independent investigation?

Because, my friends, the Conservative majority in the Senate overrode you on this issue. So, who will conduct the investigation now? Four Conservative and three Liberal senators. Of course, I have complete confidence in our senators. The Prime Minister just appointed Mrs. Bacon to the Senate. I have complete confidence, it goes without saying, that everything will be conducted above board and with the transparency that we should rightfully expect.

But, in Quebec, these people would not be selected to carry out such a task. Quebec will select truly independent investigators, who will probe the real wounds. If the wounds are infected, they will be lanced, and the infection will be drained off. I invite my Liberal colleagues opposite to reconsider their decision. If you are blameless, my friends, you have no reason to be afraid. Establish a royal commission of inquiry into the privatization of the Pearson airport. It would appear, however, that both parties, blue and red, are equally involved in this privatization. The numbers would appear to be the same on both sides, and, of course, they are. The situation is a bit like what happens with the leaves at this time of the year. When the wind blows, they turn over and their colour changes. When the blues are close to power, they change colour; when the reds are, they change colour too.

If the party that is currently running the country is blameless, it has nothing to fear. Let it establish a commission of inquiry, following the government of Quebec's proper lead.

• (1035)

To come back to Bill C–75, the federal government's entry criteria are not always what the provinces want. Federal agencies can therefore end up competing with provincial agencies, which may have different criteria.

Here again, rather than eliminate overlap and give the provinces what is rightly theirs, the federal government is insisting on keeping everything for itself.

By keeping the overlap, the federal government reserves the opportunity to intervene in the way we manage our agricultural sector in Quebec.

It is very odd, I must point out, for the department to administer this legislation rather than the Farm Credit Corporation. Although the programs differ, the Farm Credit Corporation already guarantees loans. This, I repeat, is another striking example of administrative duplication. We are not talking any more just of duplication among different governments but duplication within in a single government.

With this duplication, the deficit continues to grow. When we reach the point of paying $40 billion a year just to cover the interest costs of the debt, and the deficit is likely to reach $25 or $26 billion, we are entitled to question previous administrations.

When I was the mayor of my small community before entering federal politics the government of Quebec, which governs municipalities, forced us to balance our budget every year, and I am grateful to the government for that.

A municipality is not allowed to have a deficit, but it can have a surplus. So in the beautiful municipality of Garthby, where I was the mayor, every year we had a nice little surplus. People were happy, and told us they were proud of their town council.

My colleague of Blainville—Deux–Montagnes, behind me, was also the mayor of his municipality for a number of years. He understands very well what I am talking about.

However, if you want a surplus you must do what you have to do for it. When it was time to say no, we said no, and when it was time to increase taxes, we did so. I would never have taken a mortgage on my house to buy food for my family. No one can afford the luxury of borrowing week after week to buy food. Yet, that is what my colleagues across the way are doing. Even worst, the Trudeau government did not know how to count. Unfortunately, the Conservatives were in power for nine years. They wanted to make up for lost time, and we did not stop them.

I was saying that municipalities have an obligation to present balanced budgets. Maybe the government should also consider passing a law which would force it to table balanced budgets. Since to have enough you must have a little more, municipalities used to set property taxes a little higher than they normally would, in order to have a little 1 or 2 per cent surplus, which is quite reasonable.

• (1040)

Consequently, we are not opposed to the amendments put forward in Bill C–75. However, we object strongly to maintaining overlap and duplication, whether they are in the federal government, in the federal machine, or between federal and provincial jurisdictions.

A moment ago, I spoke of the existence of two departments of agricultre for the dairy industry, one for industrial milk, and one in the government of Quebec for fluid milk. It does not make sense.

In closing, I can assure my colleague, the parliamentary secretary to the Minister of Agriculture and Agri–food, that despite all these small flaws, we will vote in favour of this bill at third reading. This will accelerate the process. Yet, we will do so without much enthusiasm, because it is not in the interests of our farmers, in the long term. In the short term, it is not that bad.

I extend an invitation to my colleague, the parliamentary secretary, to visit Quebec. His is probably not as busy as his boss, and he could come to explain this bill. For my part, I will explain it to the farmers of my riding. They do not know very much about this measure. Is is incredible how often we have to explain to our constituents measures that are taken by the federal government, but that people are totally unaware of, especially in agriculture.

I spent a week in my riding, and when I meet farmers in my capacity as agriculture critic, which I have been for seven months now, I like to ask this trivia question: "Who is the Minister of Agriculture in Ottawa?" Only rarely do I get the right answer.

Mr. Bernier (Mégantic—Compton—Stanstead): There is none.

Mr. Chrétien (Frontenac): According to my colleague from Mégantic—Compton—Stanstead, there is none. He is not totally wrong, because in Quebec, our Minister of Agriculture is Marcel Landry. It is Marcel Landry, and not the Minister of Agriculture whose name I will not tell, because the House of Commons Standing Orders prevent me from doing so. Therefore, I am not contributing to his promotion in Quebec.

All kidding aside, the parliamentary secretary should come to Quebec, and I would bet my bottom dollar that, out of ten farmers, not one would be able to give the name of our Minister of Agriculture in Ottawa. Quite often, those who can give it say it wrong and only give his last name.

Farmers in our province are much more attached to Quebec than to Ottawa, and I must say that I am proud of it. I am very proud of it. And the day will soon come, I think, when our farmers will understand that it would be so simple, instead of having three options for borrowing money—two of them being federal—, to at least combine them. It would be cost effective. This would be a good way to save $25 or $30 million without it hurting too much.

The other day, I was listening to the Minister of Finance say to his colleague, the hon. member for Saint–Hyacinthe—Bagot: "Give me some areas where I can make cuts, where I can save some money". I am giving you one, the farming industry. Combine these two possible options for borrowing money. You will save at least $25 or $30 million. Taxpayers would be thrilled. Also, farmers would save time and effort. Instead of having to check which one would be best, they would have to see only one. The ideal solution for our farmers would be to keep only one of the two, the Quebec one: the Société de financement agricole du Québec.

• (1045)

Thank you for your attention and, in concluding, I would like to mention that we will vote for Bill C–75, because we cannot do otherwise.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I assure the House that in Saskatchewan farmers do know the name of the agriculture minister but their faces are not glowing or smiling when they think of his name.

I rise in the House to indicate the Reform Party's support for Bill C–75. The program is being used by an increasing number of farmers. As we enter into the sunset phase of direct subsidies, it is imperative that farmers have access to proper financing. Excess cash flow that had been previously freed up from government subsidies is all but non–existent, and that is not bad. Farmers are now relying heavily on the banks and credit unions to provide them with the necessary cash flow to expand, diversify or maintain their operations.

However, as is the case with small business operators, farmers have had and continue to have a number of difficulties securing loans with financial institutions, whether for buying land or covering operational expenses.

Reformers believe farmers and farm marketing co–operatives have access to financial assistance not through government administered programs like the Farm Credit Corporation and its provincial counterparts but through chartered banks and credit unions.

The intent of the Farm Improvement and Marketing Co–operative Loans Act is: "to increase the availability of credit to farming operations and farmer owned marketing co–operatives to improve farm assets and strengthen production and financial stability". We are talking for the most part about farm improvement loans when we talk about FIMCLA.

Increasing the aggregate amount available to farmers and farmer owned co–operatives from $1.5 billion to $3 billion will continue to fulfil the objectives set out by the Farm Improvement and Marketing Co–operative Loans Act. Farmers have utilized this program from across Canada. The program has been extremely popular, with the number of loans issued in the past five years increasing by over 1,000 per cent. Increasing the levels of moneys available under the program to $3 billion will enable a greater number of farmers to secure loans.

There is some concern, however, with the reluctance of financial institutions to provide loans to farmers without some sort of guarantee from the government. This is not to say these financial institutions will not provide loans to farmers; they will, but with an arm's length of preconditions and unfavourable interest rates.

Why are the banks so reluctant to provide loans to farmers and farmer owned marketing co–operatives? Possibly it is because governments are so willing to get involved in financial guarantees, from megaprojects right down to small business entrepreneurs.

The program over the years has had a default rate of only 1 per cent. A 1 per cent default rate is quite impressive when we compare it with other sectors of the economy. That speaks very well of our farming community and tells us about the quality of the people involved in the agricultural industry.

The banks over the past couple of years have lost incredible amounts of money in defaulted loans to the likes of the Trizec Corporation and the Reichmanns. However, with individuals like the Reichmanns the banks are willing to bend over backward to provide financing for their risky ventures. The chartered banks appear to be prejudiced toward small business and farms or else do not care so much about the smaller accounts even though they likely compose the most reliable sector of bank customers. Farming can be risky as well, but looking at past performances farmers have been a very credible risk.

Farmers see this bill as the lesser of two evils. Ideally we would like to see the government get out of the business of guaranteeing loans to farmers and to farmer owned marketing co–operatives. We do, however, see it as an important step in the transition from a subsidy based industry to an entity able to compete on its own feet.

We have stated in the House a number of times that farmers can compete globally. This can be accomplished with government's getting out of the business of telling farmers or related industries how they should run their businesses.

Unfortunately Liberals have a long history of interfering in places they do not belong. All I have to do is say three letters and members will recognize them immediately, NEP. The blood begins to boil in my fellow Reformers and Canadians right across the country, particularly in the energy producing areas, when they think of the national energy plan. That is an instance where government got involved in business. It should not have done so. It got involved in industry when it should not have done so and messed it up. It is very important the government not get involved directly in business but that its members be the legislators who allow businesses to carry on in a fair and equitable environment.

• (1050)

It is sad to say the government continues to perpetuate the myth that it knows what is best for business. For the remainder of my speech I will address some of the areas the government must remove itself from. One is the lending business.

The Farm Credit Corporation, the FCC, seems to have outlived its usefulness in its present form, a dinosaur that should be put out of its misery. The FCC provides services duplicate to those services already provided by banks and credit unions. As pointed out by the member for Moose Jaw—Lake Centre, there are private lenders willing to do the job and they see FCC as a publicly financed competitor where borrowing money to lend money is not right.

It is ludicrous that a government in debt as much as this government is guaranteeing loans to farmers. The FCC is also in the business of loaning money to farm related industry. How many ways do we approach this? Certainly we are putting

ourselves as government in a compromised position when we are the legislators of the lending industry. We are guaranteeing loans and we are also providing loans. The waters are indeed muddy.

What is next for the Farm Credit Corporation? About the only thing the FCC does not do is provide long term loans at reasonably fixed rates. That was the original concept under which the FCC was created.

If this is not possible, why do we keep the FCC around? A related issue to the FCC fiasco is the amount of money being given to the western economic diversification program and the prairie farm rehabilitation administration, the PFRA, with regard to the farm machinery industry in Saskatchewan.

As a Saskatchewanian I see the importance of a home grown agricultural manufacturing business. I am in favour of creating new agriculture technology in responding to the desire for increased efficiency and diversification and creating jobs in a stable economy. If the government is involved in financing these ventures, it is of concern to us and taxpayers alike; often we are the same people.

There is no reason the farm machinery industry should be propped up either in the short term or the long term. Many of the Liberal hair brained short term financing schemes have turned into long term drains on the public purse.

In the past eight years over $34 million has been approved for loans or grants to Saskatchewan farm industry manufacturers. The agreements are a combination of grants and interest free, non–repayable and conditional loans. Although the $34 million is a combination of federal and provincial governments, the federal government through western economic diversification and the PFRA have provided a substantial amount.

It appalls me when the president of the largest agricultural machinery manufacturer in Saskatchewan makes the following statement: "A company has no choice but to look at what is there and to take what is offered if you are to remain competitive". This is from the *Western Producer* on June 1, 1995.

Flexi–Coil has received over $19 million in closing grants from the federal and provincial governments since 1987. Dale Botting, executive director of the Canadian Federation of Independent Business, commenting on the grants and loans given out states that the days of government giving money to a chosen few has to stop.

A recent survey conducted by the Canadian Federation of Independent Business members shows that most are opposed to business subsidies. Members who have received grant money in the past would have proceeded with their expansion without the grant by a margin of three to one.

Another farm machinery manufacturer, Bourgault Industries, is competing head to head with Flexi–Coil. Bourgault Industries has not received a single government dollar yet it has become a successful business, with sales of over $50 million each year.

In an article in the *Western Producer* Gerry Bourgault, president of the company, stated: "Refusing government loans and grants shows up in a healthy bottom line. When sales are down the company is forced to reassess its equipment and make changes that farmers want. Government money clouds the financial picture. If you do not run your business properly, government grants are not going to make up for that. Governments should not be in the business of giving money away to businesses. In most cases it is just squandered".

The Liberal government should be in consultation with the likes of Gerry Bourgault. There is no doubt the Liberals have been and continue to consult the wrong individuals. The Liberals must stop interfering in agriculture and business. As stated by Mr. Bourgault, refusing government loans and grants shows up in a healthy bottom line. Propping up business with loans and grants does nothing more than create a greater dependency on government. Reformers believe the economy should be market driven and not skewed by government interference and intervention.

• (1055)

The small business loans program should probably be merged with the farm improvement loan program. They are both attempting to do the same thing. They are both supposed to be financially sound and we as members of Parliament must insist both programs be actuarially sound and that all costs with respect to the program should not come out of the taxpayers' pockets but should be paid for by the users of the loan guarantee program.

I understand the farm improvement loans are not subsidized by the taxpayers. We as legislators must insist on proper accounting and it be maintained. The administrative costs must be covered by the users and the default rate must not become so high that the moneys are taken out taxpayers' pockets to subsidize any industry, whether it be my industry, farming, or any other small business or megaproject. We all have to operate by the same rules.

The Reform Party sees Bill C–75 as a small step in the right direction with respect to private sector lending institutions making capital available to viable farm operations. The government still has a long way to go in removing itself from the grants and loans to all areas of the economy.

FIMCLA must be made self–sustaining. It must not be a burden on the taxpayers and governments. Governments must get out of the business of being in business and they must provide fairness and equity to the business sector.

The government must set some priorities. I cannot enunciate this strongly enough. The first priority is to get out of the grants business 100 per cent; no more grants, period. Second, there should be no public financial lending institutions. They provide a conflict for the government with the private sector. Governments should be in the business of making sure business operates fairly and is honest. It should not be in the business.

Third, there should be no loan guarantees to megaprojects and there should be no political patronage. Fourth, there should be no guarantees to small business and there should be no loan guarantees to farms, and we should not treat them differently.

To reverse the order—

The Speaker: My colleague will have the floor when debate continues after question period.

It being 11 a.m., the House will hear Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

AIDS

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, by the turn of the century the World Health Organization estimates that as many as 30 million people may be exposed to the virus which causes AIDS. It is therefore critical for Canada to create partnerships with other governments in an effort to combat the spread of this deadly disease. For example, the Canada–Ukraine partners program is proving it is possible to contain HIV infection and prevent the devastation of AIDS.

Yesterday by hosting the president of the Ukraine's national HIV–AIDS committee, I had the opportunity to learn about community health education programs which will have a direct impact on both of our countries.

We must continue to support these efforts which serve as model examples of international co–operation.

* * *

[*Translation*]

RECOGNITION OF SAME SEX SPOUSES

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the content of the speeches made last night in this House on the recognition of same sex spouses shows that this country still has a long way to go as far as respect for differences is concerned.

The Liberal member for Central Nova, who made hateful and disparaging remarks on the gay community last winter, expressed her contempt again last night when she said, and I quote: "Canadians do not have to accept homosexuality as being natural and moral. Homosexuality is not natural, it is immoral".

The comments made by the Reform member for Calgary Northeast also reflect a narrow mindset.

The members of the Bloc Quebecois strongly denounce the contemptuous attitude of some Liberal and Reform members toward the gay community. We will never accept the attacks made against this community by small minded politicians, when all homosexuals want is the same rights as those enjoyed by other citizens.

* * *

[*English*]

NATIONAL AWARENESS WEEK

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, today wraps up national awareness week. This week was a time for Canadians to have a special opportunity to focus on promoting and creating barrier free learning for people with disabilities. It was a time to recognize the thousands of volunteers and the partnership of organizations and governments that adds strength to the message of access. One aspect of the program is the face to face program that matches employers with those with disabilities.

I am pleased to thank many of my colleagues, as many members from the House, including Reformers, are participating again this year.

As part of awareness week the Standing Committee on Human Rights and the Status of Disabled Persons had the opportunity to present the Centennial Flame award. As a member of that committee, I congratulate this year's winner, Miss Laurie Bellefontaine.

Opportunity is not created by quotas and coercion. Opportunity becomes real through community based initiatives such as this that promote understanding of the abilities and strengths of the disabled in the workplace.

I salute all who participate in this worthy program.

* * *

[*Translation*]

CHILD SUPPORT

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, 62 per cent of single parent families led by women live in poverty. Two weeks ago, the courts ruled against Suzanne Thibaudeau, who had challenged the law requiring custodial parents to pay taxes on child support payments. The law is unfair and simply impoverishes women even more. We have waited long enough.

[*English*]

Parliament has already debated this issue in the form of a private member's motion. There has been a task force on child support payments. The minister has had ample time and opportunity to act.

The minister has stalled on this issue for too long. It was this government that appealed the Thibaudeau case last year, causing another year's delay. I urge the minister to act immediately to change this unfair law.

* * *

ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, recently the United States Senate passed legislation allowing oil and gas development on the calving grounds of the Porcupine caribou herd in the Alaskan wildlife refuge. This action contravenes a 1987 agreement recognizing Canadian and American joint responsibility to protect the habitat of the Porcupine caribou herd and the Gwich'in people who depend on it.

I urge the government to ensure both the continuation of the U.S. government's commitment and the right of the Gwich'in people to their traditional food source and longstanding way of life. We owe this action to our aboriginal people.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, I am very pleased to inform the House that the appeal challenging the wearing of turbans by Sikh RCMP officers has been summarily dismissed in the unanimous decision made by the Federal Court of Appeal in Calgary.

The measure of a strong and just society is its ability to weave our differences into the fabric of our national identity. The dismissal of this challenge has once again proven that Canada is a strong and just society.

These decisions reaffirm that the wearing of articles of faith by a Sikh police officer in no way impedes their ability to perform their duties with impartiality and fairness.

Let this decision be a wake up call for the Reform Party. Its opposition to Sikhs in the RCMP is out of line with the Canadian legal tradition and demonstrates an intolerance to cultural diversity. When will the Reform Party realize the 1930s are over? It is 1995 and the time has come for it to support the religious freedom of all Canadians.

* * *

VIOLENCE AGAINST CHILDREN

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, each year over 225,000 Canadian children are abused. According to the committee on sexual offences against children and youth, 53 per cent of females and 31 per cent of males have been victims of one or more unwanted sexual acts.

Approximately four in five of those incidents happened to victims when they were children or youths, and one–third of all assaults against children occurred within the family. In addition, at least one million children in Canada have witnessed violence by their fathers against their mothers.

• (1105)

Children who witness violence by one parent against another are often considered children at risk by child welfare authorities because of the lasting emotional and psychological consequences for the child. In many cases the children grow up to be abusive themselves, thus perpetuating the cycle of violence.

I appeal to all levels of government and to all Canadians and organizations that we must do a better job related to violence against children.

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[*Translation*]

SHARING OF FEDERAL DEBT

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the sovereignists have always maintained that a sovereign Quebec will negotiate sharing the federal debt with the Government of Canada on an equitable basis. A study conducted by the Institut national de la recherche scientifique and released yesterday shows that a sovereign Quebec's share of the federal debt would have to be reduced by $24 billion on account of the fact that, over the years, Quebec has paid more than it has received from the federal government. The INRS study concludes that a sovereign Quebec should therefore be responsible for 17.4 per cent of the federal debt.

It is important to note that in the present federal system, Quebecers currently assume 23 per cent of the federal debt with the $30 billion in taxes that they pay each year to the federal government. Hence the INRS conclusion that the total debt burden of a sovereign Quebec would amount to 103 per cent of GDP, as compared to 108 per cent for Canada at the present time.

According to the INRS study, a sovereign Quebec would therefore have a lower debt level than Canada now has.

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[*English*]

HEALTH

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the time has come to give Canadians freedom of choice in health care.

Every year Canadian taxpayers put tens of billions of dollars into health care premiums to pay for our medicare. Yet many of these same Canadians make the conscious decision to drop out of the conventional health care system, choosing alternate forms of health care.

S. O. 31

One of my constituents, Mrs. Margaret Wiens, recently wrote to me: "A change in the way we deliver health care is long overdue. It is discriminatory to only cover and recognize conventional drugs. I and hundreds of thousands of others in Canada faithfully pay our medical premiums, and therefore we should have freedom to choose our preferred type of treatment".

I am confident that Canadians are capable of making intelligent decisions on how they will care for their bodies. It is time for the government to share this confidence. The Canada Health Act must be changed to return to Canadians the freedom of medical choice they are calling for.

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[*Translation*]

HEALTH CARE REFORM

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, yesterday, the PQ government refused to support an opposition motion on health care reform. It read as follows: "That this Assembly support the proposal by the Leader of the Bloc Quebecois, Lucien Bouchard, to broaden the scope of the ongoing consultations on health care reform in Quebec".

This failure of the PQ government to accede to this legitimate request by their separatist friend and partner clearly shows that the coalition in Quebec City has two faces. They are partners for promoting sovereignty but when it comes to health, they are on opposite sides of the issue.

Does this contemptuous rejection of their Bloc friend's proposal a sign that, this time, the PQ will not let him dictate a new "virage" or change in direction?

* * *

[*English*]

ONTARIO ELECTION

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, ten good reasons to vote Liberal in Ontario:

(1) With the Liberals you know you are always safe.

(2) Bob Rae and the NDP have done enough damage.

(3) The Liberals always care.

(4) Mike Harris is harmful to your health with his foolish tax proposals.

(5) In one way or another, if you are a single mom, youth, middle class, senior, or own a small business, you can be certain that Harris is after your pocketbook.

(6) You could not sleep at night knowing that there are Tories in Ontario.

(7) If you are injured, disabled, sick, or looking for your annual check up, Harris will be waiting for you to add salt to your wounds and do more damage to you.

(8) You have fooled with the Tories federally and with the jacuzzi socialists provincially and you were badly wounded.

(9) In the blink of a eye, Tories will suck the blood and money out of the most vulnerable in Ontario.

(10) With the Liberals, you will not take a chance. Your satisfaction will be guaranteed.

* * *

[*Translation*]

SHARING OF FEDERAL DEBT

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, yesterday, the Quebec minister responsible for restructuring released the findings of another study. According to the minister, the results of that study, which focused on the proportion of the national debt that would have to be assumed by an independent Quebec, are very positive.

• (1110)

Of course these results are positive. Do you think for a moment that the Quebec minister "responsible for propaganda" would have agreed to release a study which would not serve the separatist cause of the PQ government?

Rather than continuing to spend Quebec taxpayers' money with impunity, in an attempt to give some credibility to a project which does not have any, the PQ government should concentrate its efforts on job creation and economic recovery.

Otherwise, at the rate it is spending public money, there will soon be nothing left but the debt to share in the PQ and BQ kingdom.

* * *

ABORIGINAL NATIONS

Mr. André Caron (Jonquière, BQ): Mr. Speaker, we were very disappointed by the editorial of free lance writer Gilbert Oskaboose in *The First Perspective* magazine.

His disparaging remarks on Quebecers and sovereignist leaders do not in any way reflect the feelings expressed by the First Nations chiefs and members with whom we meet as part of our work. Our differences of opinions usually do not keep us from having civilized discussions. Unfortunately, the tone used by the editorialist does not reflect the respectful attitude which we are used to in our contacts with members of the First Nations.

Quebecers, including a sovereignist government which was the first one in Canada to recognize the existence of aboriginal nations, have, for a long time, been more open minded toward these people than Canadians have in general.

The Bloc Quebecois hopes that aboriginal leaders will denounce the comments made by Mr. Oskaboose, so as to promote, on both sides, the open–mindedness which will lead to agreements such as the ones which were recently signed by Quebec and the Crees and which will foster peace and co–operation between our peoples.

* * *

[*English*]

INFRASTRUCTURE

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, we have been down this road before: Liberal, Tory, same old story.

If the minister of public works is not too busy pork barrelling or designing a statue of himself for his memorial parkway he might want to take a Sunday drive down the scenic 104 highway, where he will find a message on a billboard unveiled today by the Reform Party and concerned citizens of Wentworth Valley.

Up until this point the minister has refused to listen to the people. Maybe this message will get through to him. Diversion of $26 million so that the minister can buy votes in his riding is simply unacceptable behaviour, and taxpayers are not going to take it any more. Nova Scotians and all Canadians are sick and tired of the despicable political practices of the Conservatives and now the Liberals, especially of the minister from Cape Breton.

What does the sign say to the minister? It says "$26 million is highway robbery. Give it back to highway 104".

* * *

TRANSPORTATION

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, today is national transportation day and next week is national transportation week in Canada.

Organizations have scheduled a variety of transportation related activities and seminars in major cities around the country, including Hamilton, Ontario, where the ninth annual international Great Lakes–St. Lawrence mayors conference will discuss, among other matters, transportation issues.

The theme of national transportation week is "Careers in Transportation: Opportunities, Training, Skills". As the Minister of Transport has said, the coming century will bring new pressure to increase Canada's productivity. This pressure will have an enormous impact on the skilled professionals who design, build, operate, and maintain our transportation system.

Today's dedicated transportation workers are expected to be skilled in technology, management, administration, and public relations. As we pay tribute to the skilled and dedicated people who keep our transportation system running, we must also ensure that those who succeed them have new skills needed for the 21st century.

I also want to congratulate Mr. Geoffrey Elliot, the national transportation person of the year. Without his timeless efforts Canadians would not have the many benefits resulting from the recent open skies agreement with the United States.

* * *

ATLANTIC FISHERY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the snow crab fishery in the Gulf of St. Lawrence has emerged as one of the real success stories in the Atlantic fishery.

This year it will generate more than $275 million in economic benefits in a few short weeks. Success presents a tough policy challenge for the minister of fisheries, who has to set the rules for managing this resource. He must ensure that (a) the snow crab stock is not overfished; (b) the number allowed to fish this resource can make a reasonable return; and (c) the economic benefits from this common property resource are shared equitably.

Determining how many fishermen can participate in the snow crab fishery and what the size of their individual quotas should be has proven to be among the thorniest aspects of reconciling these policy objectives. This year the minister has adopted a novel and ingenious approach for dealing with this difficult problem. He has allocated a portion of the total allowable catch of snow crab to a number of fishermen's associations and has challenged them to find a way to fish their allocation safely and responsibly and to share the benefits fairly among those who do not have regular snow crab licences.

• (1115)

The fishermen are rising to the challenge. They have formed companies and worked out harvesting and processing strategies to share the benefits of this temporary allocation.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Mr. Gilles Duceppe (Laurier—Sainte–Marie, B.Q.): Mr. Speaker, a week after the latest escalation in the conflict in Bosnia, when 370 peacekeepers, including 55 Canadians, were taken hostage by Serbian forces, there has been a flurry of statements and meetings which failed to produce any concrete results leading to the release of the hostages. This morning, the International Red Cross said that the Bosnian Serbs told them they would release the hostages unconditionally, either today or tomorrow.

Could the Deputy Prime Minister confirm the statement by the Red Cross that the Bosnian Serbs will release the 370 peacekeepers who are being kept hostage sometime during the next few hours, although Bosnian Serb leader Radovan Karadzic said yesterday that no hostages could be released without guarantees that all air strikes would be suspended?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we received communications mentioning that a few hostages might be released today, but at 11.13 a.m., we were unable to confirm whether that was the case.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, B.Q.): Mr. Speaker, the Prime Minister and the Minister of National Defence confirmed yesterday that Canada was negotiating with the Bosnian Serbs to allow a rotation of the 45 Canadian peacekeepers being held hostage at their observation post. Meanwhile, in Europe the Minister of Foreign Affairs was saying, with Canada's allies, that there would be no negotiations with the Serbs regarding the hostages.

That being said, who speaks for the Canadian government? Is it the Minister of Foreign Affairs or is it the Minister of National Defence, who said that conducting negotiations would be tantamount to saying the Bosnian Serbs have the right to take hostages? Who is telling the truth?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Government of Canada does not negotiate with the Bosnian Serb government.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, B.Q.): Mr. Speaker, perhaps the Deputy Prime Minister should say so to the Minister of National Defence who said yesterday in the House, as did the Prime Minister—just read *Hansard*—that negotiations were being conducted locally to obtain the release of hostages.

In any case, the Prime Minister was delighted with the position taken by the UN Secretary General on redefining the mandate of the peacekeepers in Bosnia, and he went on to say that this had been Canada's position since last Sunday. However, need I remind members that although it has been questioned about this all week, the government has steadfastly refused to announce its intentions?

Since tomorrow there will be a meeting of NATO defence ministers in Paris, mainly to discuss the French plan, and since a NATO plane was shot down this morning, while flying over Bosnia, could the government tell Canadians now, before tomorrow's meeting, what Canada's position will be on the French proposals?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I would like to underscore that the claim made by the hon. member is simply not true. In comments made to date we have stated quite clearly that we are not negotiating with the Bosnian Serbs.

If the hon. member's question is reviewed, he speaks about the issue of rotation. In the normal activities of the team on the ground there is a rotation of troops. That rotation is being discussed on an ongoing and soldier to soldier basis in Visoko. That is certainly consistent with the position we have taken as a government.

* * *

[*Translation*]

AGUSTA

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is for the Deputy Prime Minister. Defence and Industry officials confirmed yesterday that the government is preparing to spend $2.6 billion on the purchase of 47 new helicopters. The main supplier of this equipment vying for the contract is no other than Agusta, the very company facing accusations of bribery in Europe.

• (1120)

My question is for the Deputy Prime Minister, who is responsible for enforcing the government's code of ethics in this House. Will the government commit to excluding Agusta from all new contracts until we get to the bottom of the circumstances surrounding the EH–101 contract, as demanded by her colleague, the Minister of Human Resources Development, in 1993?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, no contract has been authorized by the government.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is again for the Deputy Prime Minister, who is responsible, as I said earlier, for enforcing the government's code of ethics in this House when the Prime Minister is away.

Given that Agusta just hired the Liberal Party of Canada's former communications director, Daniel Despins, to lobby for the sale of new helicopters to the Canadian government, and given that all cabinet members know him well, how can the Deputy Prime Minister not commit to launching an investigation into the awarding of the EH–101 contract to Agusta before the government does any more business with the company, which is, as I already said, currently facing corruption charges in Europe?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I thought I made it quite clear to the member. No contract has been approved either by the Minister of National Defence or by the government.

The member quotes unnamed sources within the bureaucracy. It is not the bureaucracy that will make this decision and no decision has been made about any contract by any member of cabinet.

* * *

BOSNIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, yesterday the defence minister said he was looking forward to finding out how the U.S. forces would be deployed in Bosnia. Today the world got a clear indication of where the U.S. is headed when one of its F–16 fighter planes was shot down over Bosnia earlier this morning. Everyone knows this act could escalate the conflict even further.

For the second day in a row, my question is this. Will the government assure the House that it will not let our troops get dragged into a war for which they are neither equipped nor mandated?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we have confirmed that an American plane was shot down. Obviously the situation is very volatile.

A number of Canadian hostages are being held in various parts of the territory in question. The prudent thing for the Government of Canada to do to protect the safety of the hostages is to go to the meeting in Paris tomorrow with a clear mandate. Our number one priority will be to protect those Canadian soldiers and to ensure that any action taken in a collective way will ensure the safety of the hostages and the soldiers who are on the ground right now.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, civil wars are very messy and they get even worse when other countries join in the fighting, and the situation is escalating in Bosnia.

Given that our troops are not equipped for a high intensity conflict, what is the exact position the Canadian government will take tomorrow in Paris? Will it be the position of the foreign affairs minister or the defence minister, because a definite question has to be asked?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I am not quite clear as to the options the hon. member is offering. I have underlined how concerned we are about the more than 50 Canadians either being detained or being held hostage.

At this point our main concern when we go to Paris tomorrow is to ensure that any collective action decided on by all of the participating parties will first and foremost ensure the safety of those soldiers who are on the ground.

I am sure all Canadians want the Government of Canada to ensure the safety of those troops who are currently being held hostage and others who are on the ground.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, we are all concerned about the hostages. We want them released. We want all Canadians withdrawn, including the hostages.

• (1125)

We welcome the news that Bosnian Serbs will be releasing the hostages tomorrow without condition. The Reform Party hopes that will happen. There would not have been hostages if we had acted on this much sooner.

Given the escalation of the situation in Bosnia and the potential for further hostage taking, will the government make a commitment to withdraw our troops once the hostages are released?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I did say that at about 11.13 a.m. we had the opportunity to check the status. At the moment we have no confirmation of the release of hostages. We hope that news is forthcoming.

Our first responsibility should not be to outline our negotiating stance for political gain. Rather it should be to ensure that when we go to Paris, all the parties that have troops on the ground have a chance to make a full exploration of all of the possibilities on the table.

That is certainly what the Minister of National Defence will be doing in Paris tomorrow.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Minister of Justice.

In its decision last Friday in the case of *Egan v. Canada*, the Supreme Court of Canada found that sexual orientation is a profoundly personal characteristic, which is either immutable or alterable only at unacceptable personal cost and which, therefore, comes under the protection of section 15 of the Canadian Charter of Rights and Freedoms.

Since the Supreme Court of Canada considers discrimination based on sexual orientation unconstitutional, will the minister not acknowledge that he has a duty to table his bill to amend the Canadian Human Rights Act by the end of the present session and thus make all discrimination on the basis of sexual orientation illegal? A little courage, Mr. Speaker.

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member has referred to the recent judgment of the Supreme Court of Canada in which the court considered the equality provisions in section 15 of the charter as they relate to sexual orientation.

For the first time the court pointed out that sexual orientation is an analogous ground under the charter for the purposes of that section. We are considering the judgment. More than one judgment was issued by the court in its analysis and the judges expressed a variety of views.

Quite apart from the judgment, the government has long recognized the importance of amending the human rights act to provide that sexual orientation cannot be a basis on which discrimination occurs. We have long since made the commitment to do just that.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I would remind the Minister of Justice that the Quebec Charter of Human Rights and Freedoms has prohibited discrimination on the basis of sexual orientation since 1978 and that he should use it as an example.

Are we to understand that, despite the very clear decision by the Supreme Court, the government will not change its policy with respect to homosexuals, lesbians and same sex spouses, a policy which, by the fact of doing nothing, denies the rights accorded by the country's justice system to all these Canadians?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in fairness the member will know that the judgment of the court was released a week ago yesterday. As I mentioned, there are judgments both ways expressing a variety of views with respect to these matters and what flows from them.

The government should do what it is doing. It has reaffirmed its commitment to amend the human rights act. It is also going to look at the implications of the judgment. It is going to consult with caucus and determine the position that we will take on the wide variety of issues that arise on the subject of sexual orientation.

* * *

DEPARTMENT OF JUSTICE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, in dealing with the administration of the justice ministry, the minister insisted yesterday that "when the government goes to the legal profession to hire agents to help us with legal cases, the fundamental criteria is competence and merit".

That being the case, can the justice minister explain to Canadians the appointments recently made in the revenue minister's riding in Victoria. How does the appointment of three firms with little or no experience in drug prosecution and the termination of a firm with 20–years' experience fit his stated criteria of competence and merit?

• (1130)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in British Columbia, as in the case of all other provinces where legal agents were appointed, suggested names for appointment were sent to the regional offices of the Department of Justice where they were vetted. We asked the regional justice offices whether they were satisfied the persons under consideration were competent for the work that was intended.

In the case of the agents under discussion, as in the case of all others who were appointed, the regional offices expressed their view that the individuals were competent for the work that was intended to be given to those lawyers.

If the hon. member will look at the record of agents appointed across the country he will find that in many cases agents appointed during the last regime are still doing work. Their appointments have been continued by the government because we thought they were appropriate to carry on the work in those cases.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, in news reports from Victoria an experienced undercover officer commenting on the justice department's termination of a firm with 20 years of drug prosecution experience has said:

> It is a complete and utter farce. We are losing very experienced and very knowledgeable prosecutors who are used to dealing at all levels of drug enforcement. This is a definite blow to drug enforcement.

Public safety should never be compromised by political patronage. It begs the question: was the justice minister made aware of the very close connections between the revenue minister's political interests and the appointed firms?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I agree with the hon. member that public safety should not be compromised on any basis. I insist that in this case it was not.

The agents who were appointed are competent for the task for which they have been retained. As to the comments of the police officers, I know only what I have read in the press and what has been quoted by the hon. member.

I can say that any concerns anyone in the administration of justice system has about the quality of any of our agents can be communicated to the regional office and their comments will be considered; but we are satisfied that the agents we have in place are competent to carry out work on behalf of the people of Canada.

* * *

[*Translation*]

DEPARTMENT OF JUSTICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, three times this year the Minister of Justice was unable to explain why individuals and businesses in Quebec receive only 5 per cent of the value of professional and special services contracts awarded by his department and has even expressed some doubt about this percentage. However, his own officials confirm our allegations.

After studying this matter for three months, can the Minister of Justice explain to us why his department awards 15 times more contracts to residents of his province, Ontario, than it does to residents of Quebec?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member raises a subject that two of his colleagues raised on earlier occasions.

I have a draft response on my desk to which I should have got this week but did not. I will see the written response is in the hands of the hon. members who asked the questions next week. It will furnish a detailed response to the questions that have been raised on this subject.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I would point out that the minister has been studying this matter for three months but has yet to give us an answer. The Minister of Justice has also said in this House that he did not believe that 98 per cent of professional and special services contracts are drafted in English. But, once again, his officials say the opposite.

Is the Minister of Justice still of the opinion that the fact that research contracts awarded by his department are drafted in English only accurately reflects the reality of bilingualism within his department?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member has the right to expect a detailed and factual response to these questions. Both the hon. member and his colleagues have asked specific questions about the number and percentage of contracts that have been awarded and the use of language in specific work done for the department.

My officials have prepared a response which I have in draft form on my desk. I shall get that response on these points to the hon. member and his colleagues within the week.

* * *

• (1135)

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, every Canadian knows full well the story of 15–year old Tara Manning from Quebec and how she was sexually assaulted and stabbed 47 times.

Every Canadian's heart goes out to her family and is outraged that a killer may go free if a court upholds the claim that the killer's rights were infringed by a judged granting a warrant for a DNA search.

Since the minister knows full well that in order for the perpetrator of the crime to be held accountable legislation must clear the House before the summer break allowing a judge to grant a DNA search, will the minister immediately bring the legislation before the House?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am very aware of the case. I met with Mr. Manning, the father of the victim, and with his parents. I was very much affected by the sadness of the tragedy, particularly for the family.

I am not going to discuss the Manning case because it is pending in the courts. However I will respond on the subject of DNA testing and I will say that the government has said it would introduce changes to the Criminal Code to provide a further basis upon which authorities could take samples for DNA testing for prosecution purposes.

I should point out to the hon. member that there are provisions in the code at present which are being used for that purpose. Nothing I say is intended to suggest that those are insufficient for that purpose at this time.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, Canadians continually hear the government and the minister state that they will change legislation to enhance public safety. It has been 19 months and I have not seen it yet.

Canadians should have confidence in the justice system. We are waiting for the drunkenness defence bill. Now we are waiting and waiting for this legislation, which will definitely serve a purpose in the country and solve the problems.

How could the minister dare speak of justice when he completely abandoned the most basic concept of humanity, that when a person is murdered society must punish the murderer?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I would ask the hon. member

to be fair to the facts. Bill C–72 with respect to the drunkenness defence is before the House. Indeed it is at committee.

The hon. member took a very active role in the consideration of Bill C–37, which was improved because of his work on committee dealing with amendments to the Young Offenders Act. That bill is now in the Senate. The hon. member participated in committee work with respect to Bill C–41, which is intended to strengthen the sentencing provisions of the Criminal Code.

However, on the point the hon. member raises, I can tell the hon. member as I have in the past that we will introduce legislation to amend the Criminal Code to broaden the basis upon which DNA samples can be obtained.

I emphasize to the hon. member that there are provisions—

Mr. Hill (Prince George—Peace River): When?

Mr. Rock: I cannot say exactly when, but I can say we will do it.

I want the hon. member to be aware there are provisions in the code already that can be used for that purpose and have been used for that purpose. I do not suggest for a moment that they are insufficient for that purpose.

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[*Translation*]

FOREIGN AFFAIRS

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

The Minister of Foreign Affairs says that the scandal involving Canadian diplomats who trade their airplane tickets for money is a thing of the past. The President of the Treasury Board claims that the phenomenon is limited to diplomats assigned to dangerous and difficult cities. However, for a diplomat posted in Tokyo with his family, it can amount to 40 per cent of his salary, tax free.

How can the President of the Treasury Board justify that such financial benefits, which were granted in 1993, are still available to Canadian diplomats, when other civil servants have had their salaries frozen since 1991?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I would be happy to look further into the particulars the hon. member has raised.

I can say, as I have said before, that in terms of foreign service directives there has been a tightening up of those procedures and that previous difficulties that arose have been corrected.

• (1140)

I could also point out that there is a three–year review which is being conducted this year with respect to foreign service directives. The matter is fully under review.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, moreover, the majority of diplomats who trade their airplane tickets for money to pay for their holidays do not go to Canada and are not even obliged to submit their receipts. They pocket the money, tax free.

Will the President of the Treasury Board undertake to review these benefits, granted in 1993, before laying off more civil servants, who cannot take advantage of the lax approach of Treasury Board?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, surely the hon. member understands that when people receive foreign postings they and their families should have an opportunity to be able to come home from time to time. There are, particularly in the case of what are called hardship posts, increased opportunities to do that.

Some very strict rules have been put into place. Lately we have been experimenting with a pilot system whereby we have actually lowered the amount of money that we will provide to 80 per cent from 90 per cent of the economy fare for a return trip, in that way further controlling the costs and recognizing the need of the government to cut government spending.

We will be evaluating that in the framework of the three–year review which is due this fall. We will be looking at further measures to ensure that the taxpayers' money is well protected and well spent in this regard.

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YOUTH SERVICES CANADA

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I understand there was news this morning concerning Youth Services Canada. Since this is the time of year when many students are seeking employment, could the Secretary of State for Training and Youth provide the House with some of the details of the important announcement?

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, it is with great pleasure that I rise to respond to my colleague from Oxford.

We have the start up of 63 new projects under Youth Services Canada. These projects will allow over 850 young Canadians across the country to gain valuable skills while helping out in

their communities. Whether it is opening up a second hand store for the needy in Montreal, setting up crime awareness programs in Winnipeg or preserving native culture in Yukon, projects are geared to help both the kids and their communities.

Unemployed youth who participate in Youth Services Canada are breaking the cycle of dependency and learning good, solid job skills.

The announcement underlies once again the government's commitment to the youth of the country and its determination to take action on it.

* * *

CANADIAN WHEAT BOARD

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, yesterday in the House the Solicitor General confirmed for the record that the commissioner of the RCMP advised that the commercial crime section of the RCMP in Winnipeg had reviewed allegations made by the member for Lisgar—Marquette and found no evidence to support an investigation.

The crime section of the Winnipeg RCMP has no record of a request from the commissioner of the RCMP on the matter.

My question is for the solicitor general. The commercial crime division in Winnipeg says once thing; the solicitor general says another thing. Who are we to believe?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I have conveyed to the House, and earlier to the hon. member's colleague, information provided to me by the commissioner of the RCMP.

The deputy commissioner for operations of the RCMP today sent a letter to the hon. member's colleague setting out the position of the RCMP on the matter. If the hon. member's colleague will agree, I would be delighted to ensure that the letter is released to the public. I think it should clear the air and help the hon. member to get on to something more constructive.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I hope we are making progress here. We are not asking the solicitor general to launch an investigation or become involved in the day to day operations of the RCMP. However, we are very concerned that we find out exactly where the file went. There is supposed to be a file.

Could the solicitor general advise the House where the file went? If it did not go to Winnipeg, as they say it did not, then where did the file go?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I would have hoped the hon. member would have confirmed, on behalf of his colleague, that the letter the deputy commissioner of the RCMP sent to him explaining the involvement of the RCMP in the matter be made public. I think that would be a better way to clear the air than to keep asking this kind of question.

• (1145)

There must be some other matters the hon. member could deal with rather than attempting to create wrong impressions which should be the subject of an apology.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is for the Minister of the Environment.

In her recent answer to a question on the health hazards from 24 highly contaminated sites, the Minister of the Environment has reaffirmed the polluter pays principle and confirmed that Environment Canada denies any responsibility concerning so-called orphan sites.

Could the minister tell the House when the inventory of contaminated orphan sites will be completed by her department, and when she expects to be in a position to lay charges against owners who refuse to clean up their sites?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, that question could have been addressed to my Quebec counterpart. The hon. member is aware that the federal government signed an agreement with Quebec a few years ago whereby we financed, in partnership with the province, provincially identified orphan sites. Federal funds have been paid to the provinces, and they made the decisions on the use of those funds for clean-up operations.

When all environment ministers agreed two years ago that we should stop paying for orphan sites, we did so at the request of the provinces, who have the instruments to initiate prosecutions in the private sector, more particularly in Quebec.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, how can the Minister of the Environment expect us to take seriously her commitment to the polluter pays principle, when, in 1994, the Canadian government initiated just 13 prosecutions under the Canadian Environmental Protection Act, which is 30 per cent less than in 1991, and 40 per cent less than in 1992. And that does not include contaminated sites in the Arctic which are not under the direct responsibility of the provinces. How can the minister explain such a drastic drop in the number of prosecutions, if not by a total lack of commitment to a stringent enforcement of the act?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, as a result of my intention to increase the number of enforcements at the federal level there were 13 charges laid in the metropolitan Toronto area last week alone as a result of the activities relating to the export of illegal hazardous material.

I have issued a new directive in my department. We are moving away from the issuance of letters of warning. It will be one strike and you are out. I intend to pursue aggressively those polluters who would despoil our environment simply to make a buck.

* * *

UPPER NICOLA BAND

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, B.C. tribal chiefs are sending a warning shot across the bow of the B.C. treaty process by saying there could be more barricades this summer. They are reacting to the province of B.C. attempts to reduce unfulfillable native expectations. Yesterday provincial minister John Cashore called on the federal minister to help resolve the dispute at Douglas Lake Ranch.

Will the minister do more than facilitate negotiations as he has already agreed to do and cut off funding to the Upper Nicola Band until this illegal blockade is removed?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, the hon. member should know that a mediator was appointed by the province yesterday and he is in the process of mediating. All the parties to the dispute have publicly called for a peaceful resolution to this situation. I think the hon. member should be aware of that.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, these standoffs often go on for an extended period of time.

The federal minister has said that this is not his territory because it is off reserve and the band is not part of the B.C. treaty process. This is irrelevant. The barricades and this whole process are expensive to the taxpayer and to local residents.

Will the minister assist in efforts to achieve a voluntary removal of the blockades by insisting on removal of the funding to the band in order to ensure compliance?

• (1150)

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

The hon. member should be aware that a peaceful resolution to this is being sought by all parties. The minister has also made it quite clear that he is prepared to assist if asked by the province, by the First Nations or by any other group involved but to date we have not been asked.

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FOREST FIRES

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, my question is directed to the Deputy Prime Minister.

The people of Canada would like to know the federal government's involvement in dealing with the forest fires raging in Canada and most distressingly in western Canada.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in response to the hon. member's question, a very serious situation is emerging with a number of forest fires that are burning, in some cases out of control, in western Canada.

Emergency Preparedness Canada has been contacted by the provinces of British Columbia and Alberta. We have offered our full support. Emergency Preparedness Canada under the auspices of the Department of National Defence has already provided a number of possible airlifts and is ready and willing to provide more.

We are also working to mobilize the Department of Transport where necessary. Certainly we are hoping that over the weekend things will stabilize. We are concerned and we are offering whatever help we can to both the provinces involved.

* * *

[*Translation*]

IRVING WHALE

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment.

On Tuesday, an Environment Canada spokesperson suggested that the *Irving Whale* would only be raised high enough to slide a submersible underneath. Yet, the solution outlined in the government's call for tenders is to lift the barge more than 70 metres with steel cables before using a submersible.

How can the minister let a spokesperson from her office give the press information that is contrary to that contained in the initial bidding documents?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in this matter, which has already been dragging for some 20 years, I am following the advice given by my hon. colleague, the hon. member for Frontenac, on March 18, 1994—15 months ago—when he asked us to act as soon as possible, and I quote: "—as an ecologist and a recognized environment specialist—this is Jean–Guy Chrétien talking—I can only welcome this announcement. As a matter of fact, I took an interest in the *Irving Whale*, a potential ecological time–bomb, as soon as I became the opposition's environment critic".

Instead of complying with the hon. member's request to further delay lifting this barge, we will go ahead. The call for tenders has been issued, and the *Irving Whale* will be raised as soon as possible.

The Speaker: My dear colleagues, I would ask you to please refer to other members by their ridings and not by their names.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, we are not asking the minister to let this matter drag on for years. What we are asking her is to raise the *Irving Whale* as safely as possible, even if it is more costly.

A spokesperson from her office indicated that two businesses had submitted bids to refloat the *Irving Whale*. Since her department has known about the bids since May 11, can the minister tell us the prices quoted in these bids and release immediately all bidding documents?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in the House of Commons last year I gave every single document relating to the lifting of the *Irving Whale*. I also said at that time that the proposal being pushed by the hon. member is based on a recommendation that was done by the company that is interested in doing the work.

We called for an independent assessment. If the member wants, I will refer her to an opinion of Murray Fenton & Associates Ltd., Southwark Bridge Road, London, England. That firm has no association with the Government of Canada and says that the option we have chosen is the best scientific option.

• (1155)

I would be very happy to table the letter so we could put the issue to bed and get the *Irving Whale* out of the situation it is in, which puts the fishermen of the Magdalen Islands at risk. I think the hon. member and her eight colleagues on the Magdalen Islands should stop playing politics and start doing something to get this thing up.

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, MPs' offices are constantly flooded with complaints from law–abiding Canadians whose relatives cannot get visitor visas to Canada. Why? Because the minister's failure to enforce immigration law creates so much abuse that the only way to stop it is by denying visas to decent law–abiding visitors.

Why is the minister limiting his promise of compassion to queue jumpers and foreign criminals and not extending that compassion to those who really suffer under Canada's immigration laws: law–abiding Canadians, overseas refugees and people who want to visit Canada?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):

[*Editor's Note: Member spoke in Italian.*]

[*English*]

Mr. Speaker, the hon. member told me that he knew a few words of Italian, so in the spirit of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, I thought I would try it out.

In response to the hon. member, the reality in fact is the opposite. The member should be somewhat respectful of the fact that 85 per cent of all visitor visa applications, and there are some one million around the world, are accepted by Canada. There is a 15 per cent refusal rate. Eighty–five per cent out of 100 is not bad.

In the case where those refusals perhaps legitimately should have been accepted, there is a procedure in place for those individuals to make new applications. From time to time there are also interventions. I caution however that a minister should not intervene on a visitor visa program simply because of the numbers involved and simply because the fact is it works quite well.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, whether the minister speaks Italian or English, I still do not understand the point.

The minister talks a good game. Just yesterday he bragged about how well the New Delhi immigration office was working. Tell that to Victor Sumbly, a well respected businessman whose sister and nephew could not get visitor visas from Delhi. They were told there was so much abuse that officials could not risk giving visas to a mother and child, even though Victor offered to post a $50,000 bond.

Would the minister be willing to meet with Mr. Sumbly and tell him face to face that the immigration system is working just fine?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am equally confused by the member's approach today. Usually he gets up in the House and asks the government to keep people out, to slam the door shut, to keep people from coming in. Today he decides to do some constituency work after all because there have been a lot of

complaints from Canadians in Calgary, Alberta who cannot get the time of day on immigration matters from members of Parliament. It pleases me, finally, to see the member of Parliament stand up for his constituents.

* * *

ALZHEIMER'S REGISTRY

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, the solicitor general and the Minister of Health have recently announced the creation of a national registry for Canadians with Alzheimer's. I would ask the solicitor general to explain to the House the intention of the registry. Could he tell us who is going to manage the system and explain the government's expectations as to the impact the registry will have on Canadians with Alzheimer's and members of their families?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the registry is intended to help locate and identify missing individuals with Alzheimer's or related conditions. It will help to ensure that the risk to them because of their condition is mitigated and limited. It will also reassure their families and caregivers.

I am very pleased that we could work on this project together with the Alzheimer's Society of Canada and the department of health. The program will be managed by the Alzheimer's Society of Canada and its branches across the country. It will use the RCMP's Canadian police information computer system.

I think this is a wonderful example of police–community co–operation. I am very glad that the federal government has been able to facilitate the project.

• (1200)

The Speaker: Colleagues, this would bring to a conclusion the question period. I have notice of a question of privilege from the hon. member for Hochelaga—Maisonneuve.

* * *

[*Translation*]

POINT OF ORDER

COMMENTS BY MEMBER FOR CALGARY NORTHEAST

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Thank you, Mr. Speaker. I will let you be the judge and decide whether this is a question of privilege or a point of order, but as you know, the matter I wish to raise is connected to the fact that yesterday, we had the second hour of debate on a motion I presented earlier in April in which I urged the government to recognize same sex spouses.

I must say that yesterday, for the first time since I became a member of Parliament, I was not very proud to be a parliamentarian. I was not very proud because, as we know, a few days ago the Supreme Court asked us to discuss one of the most important issues for the future of our society, and I am referring to equal treatment of same sex spouses.

I feel I must draw your attention to the fact that yesterday evening, some very discriminatory, hateful and offensive statements were made concerning the homosexual community, and we can hardly say the homosexual community benefited from the kind of debate we had yesterday.

My main point is, and I will give a very specific example, that I always saw the role of the Chair as allowing a maximum of freedom of expression, and I must say that you and your team have always scrupulously abided by this principle. However, I feel I must draw your attention to the fact that in the course of the debate yesterday evening, the hon. member for Calgary Northeast made some comparisons that were extremely dangerous and very difficult to accept for parliamentarians, and I think that if we do not put a stop to this and if we do not call to order members who take the liberty of making comparisons which I find deeply offensive between the homosexual community and certain rights to which I am committed on their behalf, the reputation of this institution will be tarnished.

In concluding, I simply want to bring to your attention a comment that will give some indication of the very distressing tenor of yesterday's debate, at least in the case of the hon. member for Calgary Northeast. Very briefly: "Homosexuality, to anyone who has not been brainwashed by the last decade of effective propagandizing by the gay lobby, is unnatural".

I finally want to say that I am not acting on behalf of any lobby whatsoever. In presenting a motion I felt was important, I was acting as a parliamentarian in order to raise one of those issues which, as you know, requires more than one debate.

In concluding, I want to say that I do not believe that in this Parliament or anywhere else, those who are involved in promoting gay rights have been brainwashed.

The Speaker: Dear colleagues, I do not believe that this is a matter of privilege. I would ask all of you, regardless of the topic being debated, to always make judicious word choices because sometimes we are confronted with ideas that are not always acceptable to all individuals.

As you know, in this House, we use strong words and express strong opinions, and sometimes, we use unusually strong words. But, in this instance, I have not read the record of the debate. I will read those statements in context and will watch the video to find out more. If necessary, I will report back to the House with my decision on the matter.

• (1205)

[*English*]

I will look into this particular matter. To the hon. member for Calgary Northeast, I do not want to get into a debate. We had a debate on this yesterday.

At least at this point, it does not seem to be a question of privilege. If the hon. member for Calgary Northeast wishes to put something on the record very briefly I invite him to do so. I do not want to have this escalate into a debate.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I stand by the words I issued in my statement. I did not mention any particular person by name. That is all I will state in the matter.

The Speaker: I thank the hon. member for his intervention.

[*Translation*]

It is not a matter of privilege, but I give the floor to the whip of the Bloc Quebecois.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I trust you unconditionally to review this issue and to listen to what was said.

To better understand the issue and put the debate in context, I suggest that we—us parliamentarians and you the Speaker—should consider that when we say that a community is immoral, for example homosexuals, we are going after each and every individual. If we were to do the same for francophones, Jews or women in general, it would not be tolerated.

Some hon. members: Hear, hear.

The Speaker: I would like to end this discussion here. As I said, my dear colleagues, I do not want members to get into a debate on the matter. I will take care of it, I will look into it, and will report to the House, if necessary.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to 20 petitions.

* * *

ENVIRONMENT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I think it is certainly a relevant day, given the question that was asked by the member from the Bloc Quebecois in the House on what we do to deal with contaminated sites.

Today I wish to advise Parliament that as a government we are introducing a new federal toxic substances management policy. What we would like to do is begin with pollution prevention to avoid the kinds of messes we saw with things like PCBs in the past.

We do not often get up in the House to discuss complex scientific issues involving complicated chemical compounds. However, we also do not often discuss the need to stop poisoning ourselves, our children, our environment, our reproductive systems, our food chain, and our genetic make-up. We do not often discuss how chemicals can affect the health Canadians and the health of our environment.

Toxic substances in the air, water, soil and sediment upset the balance of nature and jeopardize the interdependent existence of all living things on earth.

[*Translation*]

The new toxics policiy I am announcing today will apply across the scope of federal activity—not just the Department of the Environment. The policy calls for virtual elimination from the environment of substances that result from human activity, that take a long time to break down, that build up in living organisms and that are toxic.

For other substances that threaten the health of our environment, we will implement full life cycle management—from cradle to grave.

[*English*]

It is cradle to grave management for those substances.

If we cannot find the means to keep certain natural substances from being released into the environment, we need to take measures to prevent generation and their use by humans. Federal laws, regulations, policies and programs will be used to turn off the tap of release into the environment of bio-accumulative and persistent toxic substances produced by Canadians.

• (1210)

What does that mean? It means saying no to toxins that work their way into the food chain. It means saying no to toxins that take too much time to break down once they are released.

[*Translation*]

All other substances of concern under federal jurisdiction will face the world's strictest controls.

The new policy is based on the most advanced scientific methods and concepts, and expert analysis, including computer modelling and internationally accepted criteria.

In making today's announcement, the government is making public complete details of the policy and a document describing the scientific basis and the technical criteria of the policy.

[*English*]

In making today's announcement, the government is making public complete details of the policy and the document describing the scientific basis and technical criteria of the policy. The government is also publishing a third document summarizing the main issues identified in eight months of public consultations and our response to those issues.

The policy covers the complete range of toxic substances that are used or released into the environment as a result of our modern lifestyle. PCBs, dioxins, furans would not have been accepted had we known their effect on human health and on the food chain. This policy will mean that new industrial chemicals, new pesticides, new compounds produced by biotechnology, and new chemicals that mimic human hormones will be banned unless they can satisfy rigorous scientific criteria. The onus will not be on Canadians to prove that these products pose a danger. The onus will be on the manufacturer to show that they are safe and can be properly managed.

The bottom line is that a decision to ban new chemicals and new products will be made on science. For existing toxic substances that continue to pose a risk the decision to eliminate the products from the environment will also be based on science. We will establish targets and schedules that will take into account social, economic, and technical considerations.

During public consultations some have made the point that they should have the opportunity to produce additional scientific evidence once a preliminary decision to virtually eliminate or to stop the production of a product is made. The government will provide that opportunity, but we will provide the same opportunity to scientific experts, to other governments, and to the public. For human made toxic substances that are not persistent and do not bioaccumulate, do not stay in the environment for a long time, actions to control them will take into account risk management and legal, economic, and sociological factors.

[*Translation*]

In simplest terms, the worst offending toxics will be gone, all other toxics will be managed throughout their entire life–cycle.

[*English*]

In English we say cradle to grave management.

[*Translation*]

There are those who may complain that this is too tough a policy. Tell that to people who live along dead lakes and rivers, with deformed fish and birds. Tell that to Canadians who breathe our country's air, till our country's soil and swim in our country's waters.

[*English*]

I want to be clear that these actions apply to areas under federal control. Many toxic substance problems in Canada fall under the jurisdiction of the provinces and the territories; hence my response earlier in question period on the issue of contaminated sites. It is the federal government's intention to use the policy we are announcing today in order to pursue a national strategy for managing toxic substances through discussions with the provinces and the territories.

I think here is one example where a PCB in Quebec, a PCB in Ontario, and a PCB in British Columbia pose the same problem for Canadians.

[*Translation*]

I do not approach this matter with a "holier than thou" attitude.

• (1215)

The federal government's hands have not always been clean in the past nor has the federal government made a determined effort to be a world leader in controlling toxic substances.

My belief is, however, that it is in the absolute interest of Canadians to work together to eliminate and control toxics, and, more importantly, beacause this is what Canadians want.

[*English*]

We need a united Canadian strategy for dealing with the world community. The free flow of air and water means that dangerous substances released in one community can end up poisoning the environment of another community a thousand kilometres away. That is why it is important to have a Canadian policy but it also means toxic substances produced in other countries end up poisoning Canadians. Toxic substances in eastern Europe are currently poisoning breast milk of mothers living in the Canadian Arctic.

Lake Superior is probably the most virgin of the Great Lakes. If we took all the toxins of local creation out of Lake Superior at the moment that lake would be 20 per cent damaged as a result of toxins that come from places that have never even heard of Canada, places very far away where the toxins come out of the smokestacks, get into the atmosphere, travel to the Arctic shield and diffuse over Canada.

That is why we need not only a national strategy but an international strategy for birds flying over our Pacific coast, fish swimming in our Atlantic waters and people living along the St. Lawrence and the Great Lakes.

The federal government will use the strategy and the policy announced today as a basis for negotiations with the world community. Next week Canada will host in Vancouver a meeting of the world's leading experts on persistent organic pollutants. We will co–chair the meeting with the Philippines so that we can have the right marriage of countries of the industrialized world as well as countries en voie de développement. International

co–operation is certainly needed in areas from capacity building to technology transfer, to the use of alternative substances.

The Government of Canada is announcing this policy for Canadians because it is the right thing to do. In doing so I know we are following a course directly contrary to the course currently being advocated by members of the Congress of the United States. Certain American Congress people are calling for fewer controls over toxic substances. They want to release more toxins into the St. Lawrence, into the Great Lakes, into our oceans and other bodies of water and air we share. With the greatest respect, that downgrading attitude by some members of the United States Congress is dead wrong.

By this policy today Canada is sending a message to the world and in particular to our American partners that we will do our part to deal with toxic substances and we expect them to do theirs.

[*Translation*]

When you look at the people living along Lake Champlain, who are currently facing an ecological disaster partly because of construction operations by the Americans, it is obvious that the environment knows no boundaries.

By moving Canada to the forefront in managing toxics, we can move Canada to the forefront of new businesses, new green technologies and new green jobs. I am confident that the new policy will serve the long term health of our economy and I know that it will serve the health of our environment and the health of Canadians.

[*English*]

On Monday I will be in Montreal opening the Biosphere which is another tribute to the possibility for Canada to begin to return to a country where environmental technology is not imported but exported.

[*Translation*]

At the Biosphere, on Monday, you will see that with the Biodome, the Biosphere, the environmental centre—the public really supports this endeavour—and modern technology, Canadian technology, we are indeed able to go ahead and eliminate these toxic substance. But to succeed, policy and legislation are required to speed up the process of protecting the environment.

• (1220)

[*English*]

We do not want to go down the road of the Americans who are now saying this to 50 million people who drank water from the Great Lakes. This summer we are getting into a period of potential smog. I am sorry to say that in the United States the current acceptable levels of smog are about 40 per cent higher than in Canada. Who breathes that?

The Detroit–Windsor corridor sends all the stuff over to the Canadian side and we end up losing work days because of pollution problems caused by persistent toxins that come over from the United States.

We want to make sure with this policy that we have our own house in order to ensure that when we go to Vancouver next week and when we go to the international community and in particular when we go to our American neighbour, we will not allow the U.S. Congress to lose the gains we have made. The action we are taking today is a further commitment to the strategy of pollution prevention which says we should not only focus on cleaning up messes but make sure the messes do not occur in the first place.

This policy does not offer overnight miracles but it does provide a solid foundation for dealing with toxic substances and getting those persistent bioaccumulative toxins out of the environment permanently. The need to take action is easy to understand which is why we are moving today on a policy I think will put us at the forefront of dealing with toxins into the 21st century.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, every year more than 228,000 tons of pollutants of all sorts are dumped into Canada's waters, atmosphere, soil and sub–soil. The cause of all this alarming dumping is simple: it is negligence, whether on the part of careless individuals, unscrupulous manufacturers or governments unable to halt the flow.

I am pleased to rise and speak about the new toxic substance management policy the Minister of the Environment is proposing, which, I hope, will prove to be a practical response to the problems of prolonged toxic dumping that may lead to bioaccumulation. As I have not read the documents tabled today, I am not in a position to express an opinion on the value of the policy. I will therefore simply make four general comments expressing the concerns and worries I have about the minister's speech.

First, I would like to point out that I find it rather surprising the minister is tabling her new policy even before the standing committee of this House has issued its report, due in a few days, on the Canadian Environmental Protection Act. The minister would definitely have benefited from the committee's work, which took a year's time and which enabled many witnesses to express their concerns and suggest solutions with regard to the problem of managing toxic substances.

Second, the minister alluded earlier to the principle of reverse onus. According to her, manufacturers will now have to prove that their products are safe and may be properly managed. This principle, which the Bloc supports without hesitation, arises from another, very simple one: caution. The idea of caution is relatively new in environmental matters; up to now, it has not been a particular concern for governments, including this one. I offer as evidence the minister's unspeakable attitude in the matter of the barge, the *Irving Whale*, which may well spill its contents of 3,100 tonnes of oil. The minister's decision was clearly motivated by a desire to limit operating costs, as her officials have said publicly, which flies in the face of the most elementary caution.

I hope the minister, whose rhetoric is full of fine principles, will have the courage and the influence in Cabinet to apply them uniformly and not only when it suits her.

• (1225)

My third comment has to do with the way the minister intends to deal with the provinces in the future. Even though she admits that her new policy only applies to the federal areas of jurisdiction, she states, and I quote: "It is the federal government's intention to use the policy that we are announcing today in order to pursue a national strategy for managing toxic substances".

I will remind the minister that, whether she likes it or not, the environment is a shared area of jurisdiction, in which provinces have a determinant role to play. They should and must not be treated as second class actors in the federal plans. Before talking about national standards, the minister should give tangible evidence of the efficiency of her policy. Obviously, an aggressive approach by the federal government will only lead to counterproductive confrontations.

Finally, I notice that the minister is once again boasting that she wants to make Canada a world leader in environmental matters. The Bloc Quebecois and myself have every right to question such a statement and fear that it is just so much hot air. Indeed, the last time the minister said that she wanted to make of Canada a world leader, she was presenting her plan to reduce greenhouse gases which, as we know, was far from revolutionary.

This very morning, *The Ottawa Citizen* reported that the Sierra Club gave the Prime Minister an admonition to give marching orders to his Cabinet on the reduction of carbon dioxide emissions.

I humbly remind the minister that Quebecers and Canadians are not necessarily demanding to become world leaders; all they want are realistic environment policies yielding real and tangible results.

In conclusion, I can understand the minister's desire to improve the management of toxic substances in Canada. In fact, the World Wide Fund for Nature reports that the port of Hamilton is one the most polluted areas in the Great Lakes. The sewage treatment plants located there are not equipped to properly process the waste from surrounding industries and generate close to 40 per cent of the PCB burden and 10 per cent of the zinc burden in the port. According to the World Wide Fund for Nature, decades of pollution in Hamilton have completely ruined what used to be first class spawning grounds for many fish species.

I hope that the policy proposed by the Minister of the Environment will enable us to find efficient remedies to solve an environmental dilemma we can no longer ignore.

[*English*]

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, it is a privilege to reply to the environment minister's policy statement on toxic substances management.

I listened very closely to the minister's speech and for the most part I agree that toxic substances in air, water, soil and sediment will jeopardize the existence of all living things. I agree that if toxic substances are not brought under control Canada's environment will suffer. Action should be taken immediately rather than later.

However, I do not agree with the halting path the minister has chosen. The minister's policy applies only to areas under federal control. While the federal problem is a serious concern, another problem does exist, those industries in the private sector, those currently under provincial jurisdiction.

This is the continuing problem with this minister and her department. She introduces policy after policy which might be described as nothing but fluff. In other words, they sound great but the implementation is later evaluated as disappointing.

She never seems to get to the core of the problem of some of our biggest polluters. Perhaps there is a reason. Perhaps it is more political than sensible.

In late April of this year Environment Canada released a national pollutant release inventory, an extensive list of Canada's worst polluters of toxic chemicals. Among the list were some very large companies, primarily from the hub of Ontario as well as Montreal.

The country's biggest polluter was Kronos Canada in Montreal, which dumped 66,000 tonnes of sulphuric acid into the water. Another large pollutant was benzine. A total of 3,000 tonnes of benzine was released countrywide by steel and chemical manufacturers. Interestingly enough, Dofasco and Stelco Steel in Hamilton combined 882 tonnes, 29.4 per cent of the total amount of benzine released in 1993; two large companies right smack in the middle of the minister's riding. Any political handler would say to the minister stay away from that issue. Where is the integrity? Where is the will? One of the country's worst polluters of a toxic chemical is in the environment minister's backyard and the minister does not want to touch it with a ten–foot pole.

• (1230)

How can she claim to be environmentally friendly? If the minister were a true friend of the environment she would put politics aside and take action in cleaning up the plants that grace her riding. What this country does not need are politicians who think first about how things appear for the political image and second about real benefits to Canadians. We just need to get on with it.

This polluters list tells us where the polluters are. Well that is fine. Canadians know where they are. What they want to know is how they are going to be dealt with. Canadians want actions, not just another data base.

I will read an interesting quote from the minister regarding this data base: "It is intended to encourage industries to voluntarily reduce their releases and develop pollution prevention plans". This is coming from a minister who is supporting Bill S–7, which will legislate government departments into increasing the number of automobiles using alternative fuels, even though the Treasury Board already has guidelines for them to do so.

The minister is not promising miracles with this policy today. One does not have to be a genius to figure that out. The clean up of federal contaminated sites will be no small task. In the last auditor general's report it was estimated that there are 2,000 to 3,000 potentially contaminated federal sites, of which 500 to 1,000 would require immediate remediation. The projected cost was a minimum of about a billion dollars. The auditor general's report also mentioned that a high priority should be to clean up all federal PCB sites, at a cost of perhaps $2 billion.

This policy paper does not clearly outline how it will clean up these sites. It does not determine where the money will come from, and it does not state a deadline when all federal sites should be toxic free. I think the minister clearly has some questions to answer.

Further, with this policy we find out that the one who is going to be overseeing the policy will be the commissioner of the environment and sustainable development, the office of the auditor general. The federal government does not seem to listen to what the auditor general says now, so what will change with the commissioner, who will only report to the auditor general?

The minister says that Canada is sending a message to the world that we will do our part to deal with toxic substances. How can a strong message be sent when we are only dealing with half the problem?

Whenever the government initiates something new, it never changes the whole picture substantively. It never wants to get serious with the issues that mainstream Canadians want. Take the federal budget, for example. Canadians wanted a zero deficit plan and the government gave us a fraction of a dent to the deficit and no long term hope.

Another example is the Young Offenders Act. Canadians wanted a tougher, more accountable law. Yet the justice minister gave Canadians a watered down bill. Now we have this policy paper, which the environment minister thinks represents a solid foundation for dealing with toxic substances.

The Canadian Environmental Protection Act sounds good, but in practice has not been sufficiently delivered. The Standing Committee on the Environment and Sustainable Development will soon be tabling its recommendations to improve CEPA. I hope the minister will take heed.

We have a fisheries minister who advertises his defence of Atlantic fish. Who in the government is defending the Fraser River basin and the salmon of the Pacific coast?

The Reform Party is not against control of toxic substances. Quite the contrary. What we are saying is if there is a problem, and in this case the minister has admitted there is, deal with the problem comprehensively and not just a fraction of it.

I do not have some great scheme of how we could get industries like Dofasco and Stelco to reduce or eliminate their benzene dumping tomorrow. Then again I do not have thousands of employees at Environment Canada to work for me on this one either.

Cleaning up Canada's environment is a priority of the Reform Party and it is a priority of the minister. However, do not do it with a policy statement that federal departments can continue to ignore. Do it with legislation that is binding and that has some real bite.

* * *

BILL C–89

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, I have the honour to present in both official languages the fourth report of the Standing Committee on Transport.

Pursuant to order of reference of Tuesday, May 16, 1995, your committee has considered Bill C–89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the company to the public, and has agreed to report it without amendment.

* * *

BILL S–7

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have the honour and privilege to present in both official languages the sixth report of the Standing Committee on Natural Resources, concerning Bill S–7, better known as the Kenny bill, an act to accelerate the use of alternative fuels for motor vehicles, with amendments.

• (1235)

ENVIRONMENT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I would like to table the document pursuant to the speech I just gave. I neglected to table the document entitled "Toxic Substances Management Policy", the report on the consultations and La politique de gestion des substances toxiques.

The Deputy Speaker: It will take unanimous consent to do that. Is there unanimous consent?

Some hon. members: Agreed.

* * *

NATIONAL HOUSE OF CANADA ACT .BREV

Mr. Ian Murray (Lanark—Carleton, Lib.) moved for leave to introduce Bill C–329, an act to provide for the recognition of the Canadian horse as the national horse of Canada.

He said: Mr. Speaker, I have the honour to introduce a private member's bill today entitled "An Act to provide for the recognition of the Canadian horse as the national horse of Canada".

This bill will bring widespread attention to a national symbol, the Canadian horse. This horse was introduced to Canada in 1665 by the King of France, who sent horses from his own stables to the people of his North American colony.

The Canadian horse is well known for its strength, endurance, resiliance, intelligence and good temper that distinguishes the breed.

I invite all members of the House to support this bill, which will bring well deserved attention to this cherished Canadian symbol.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating across Canada. This portion of the petition comes from the area of Calgary, Alberta.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession, which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families who do decide to provide care in the home for preschool children, the disabled, the chronically ill and the aged.

VIOLENCE ON TELEVISION

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I have four petitions, three of which I will present orally.

The first petition deals with violence on television. The undersigned petitioners humbly pray and call on Parliament to ensure that the CRTC recognizes that Canadians do not need to be shocked to be entertained. Foul language, excessive violence, and explicit sex are not necessary to provide quality entertainment.

ASSISTED SUICIDE

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the second petition contains 112 signatures and calls on Parliament not to enact any legislation that would allow doctor–assisted suicide.

GUN CONTROL

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the third petition has to do with gun control. It calls on Parliament to reject this legislative proposal, Bill C–68, and to direct the Minister of Justice to reconsider his approach to this entire issue.

HUMAN RIGHTS

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the fourth petition is not from my constituents exclusively. The majority of the petitioners are from other parts of Canada.

PAROLE

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition from citizens of the province of Alberta. They are concerned about making their streets safe and are opposed to the early release of violent offenders.

The petitioners urge the government to allow reclassification of offenders as dangerous after sentencing, allow indefinite detention of dangerous offenders, and allow violent offenders to be ineligible for parole.

DIVORCE ACT

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I have a petition from 42 of my constituents. Basically they are concerned about access to children by grandparents.

The petitioners ask that the Divorce Act be amended in such a way that in no case may a father or mother without serious cause place obstacles between the child and grandparents. It goes on to talk about giving them access to the child, the right to make inquiries and to be given information as to the health, education, and welfare of the child.

• (1240)

GUN CONTROL

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure to present three petitions. In total there are 1,290 signatures.

The petitioners are opposed to further gun control legislation and want to go on record as asking the justice minister to deal with the criminal use of firearms rather than registration.

EUTHANASIA

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, I have the honour today to present two petitions on behalf of the constituents of my riding of Selkirk—Red River in Manitoba.

In the first petition my constituents pray that Parliament continue to reject euthanasia and assisted suicide in Canada.

SEXUAL ORIENTATION

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, in the second petition my constituents pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act, or the Canadian Charter of Rights and Freedoms to include the undefined phrase sexual orientation.

GUN CONTROL

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, according to Standing Order 36, I rise to present two petitions. The first petition is signed by almost 1,000 people, the majority coming from Yellowhead.

The petitioners call on Parliament to support legislation that would repeal and modify existing gun control laws, which have not improved public safety, have proven not to be cost effective, or have proven to be overly complex so as to be ineffective and/or unenforceable.

SEXUAL ORIENTATION

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, the second petition I am pleased to present on behalf of Mr. Ken Rij of Evansburg, which is in the riding of Yellowhead.

The petitioners request that Parliament not amend a code, act, or charter in any way that would tend to indicate societal approval to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, the following question will be answered today: No. 139.

[*Text*]

Question No. 139—**Mr. Karygiannis:**

With respect to the Interstate Unemployment Insurance Claims agreement since 1992 (*a*) how many non–Canadian citizens living outside of Canada have received benefits, (*b*) how much has been received by these beneficiaries, (*c*) how much was collected in U.I. premiums from these people, (*d*) in what states do the recipients live and (*e*) how many of the U.I. recipients collected maternity, parental, or sickness benefits?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): The available data on interstate claims including those made by Canadians residing in USA for 1992, 1993 and 1994 revealed the following:

	Total of claims	Total benefits paid
1992	826	$4,131,873
1993	753	$3,608,766
1994	659	$3,199,900

Revenue Canada requires 25 per cent of the benefit amount be retained at source for income tax. The total number of claims represents the actual number of claims received but not the number of claimants who actually were eligible for benefits. This information is not readily available. We have no available data to distinguish if the recipients are non–Canadians, or their state(s) of residence.

Revenue Canada taxation does not require that employers report premiums per individual social insurance number. Therefore we cannot specify how much was collected from these recipients. We do not have statistics on the claim types such as maternity, parental or sickness benefits.

Historically the volume of such claims has been too minimal to warrant the design of computer programming to keep such detailed information as requested.

Mr. Gagnon: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

The Deputy Speaker: I wish to inform the House that pursuant to Standing Order 33, because of the ministerial statement, Government Orders will be extended by 26 minutes.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT AND MARKETING CO–OPERATIVE LOANS ACT

The House resumed consideration of the motion that Bill C–75, an act to amend the Farm Improvement and Marketing Co–operatives Loans Act, be read the third time and passed.

The Deputy Speaker: The hon. House leader of the Reform Party has 27 minutes remaining in his available time.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I will assure you that I will be very brief and not need anywhere near that time, as I was in the process of concluding my remarks when I was interrupted.

The priority of governments should be to get out of the business of being in business, which includes the granting of funds, the involvement in megaprojects and things such as FIMCLA and guaranteeing loans to small business.

What I was saying in conclusion was that the priorities of governments should be first to get out of the business of granting handouts, whether they be to business or special interest groups. Second, governments should not be in the business of being involved in megaprojects, even to the point of loan guarantees; they should not be involved in loan guarantees for small business and agriculture, and their priorities in getting out should be in that order.

The reason they should be in that order is because small business and farmers are supporting the granting of funds through their tax dollars. They are supporting loan guarantees that go bad to megaprojects such as the Lloydminster upgrader and those types of megaprojects. Hibernia is another example that comes to mind. It is the farmers and the small businessmen who are paying for the folly of government getting involved in these projects. Programs like FIMCLA should not be the first ones to go; they should be the last ones to be withdrawn. That is the direction in which we have to go.

• (1245)

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, miracles never seem to happen to me in this House. I listened to the Reform Party go on and on, its members first stating they support the bill. They then spent almost all of their time saying why it was not such a good idea. I am a little confused by that approach. It seems they are saying government should not assist farmers.

Almost one in five workers in the Durham area are farmers with 3,500 families who either directly or indirectly owe their living to agriculture. The people of Durham very much appreciate the federal government's commitment to assist them in the capitalization of their farming operations.

Sometimes there is a lot of confusion in the House about what farmers do and the types of operations they run. Many members have talked about how other forms of capital are available to farmers, that lending institutions could take up the slack. That is not true. The Farm Credit Corporation and this program came into existence because the government recognized that problems within our capital markets prevent access to capital by not only small businesses but farmers in particular.

Farming is a capital intensive business. I could probably equate it with a utilities company. Everything done in farming involves substantial capital: equipment, the farm property, barns. Utilities are probably the closest example of similar operations that require capital over long periods of time.

Our lending institutions are often only interested in short term loans, which creates a disequilibrium in the capital markets. That is why this is an area government should be involved in. I know many of my farm constituents are very happy the federal government is part of this process.

I would like to speak about some of the specific aspects of Bill C–75. Some members have expressed concern over questions of overlap and duplication with the provinces. Only two provinces have similar programs, Quebec and Alberta. These are the two provinces where activity under FIMCLA has shown its greatest growth. The arguments about duplication being bad come from the very provinces that have utilized this system the most.

I heard some of my colleagues in the Bloc talking about how it was a failure. Interestingly enough, loan applications in Quebec went from 142 in 1990–91 to 1,700 in 1994–95. This is a success, hardly a failure. That growth has been largely a result of caisse populaire Desjardins' movement to become a lender under the program. In Alberta, the provincial government's treasury branches now offer FIMCLA loans and concentrate its resources in other areas. The concept of duplication is not real in this case.

Within the federal government we have to consider the different roles FIMCLA, Farm Credit Corporation and the Small Businesses Loans Act play. Of these FIMCLA is the only national loan program that can be accessed by farmers and farmer–owner marketing co–ops because FIMCLA loans are available from the six major banks. There are banks in almost all of our communities but there is not an FCC office in all communities. Similarly, the Small Businesses Loans Act is really oriented toward small business operations as opposed to farmers although farmers can also access this program.

Every rural centre has a bank or credit union but not all have FCC offices. In addition, the Farm Credit Corporation does not guarantee loans made by competing commercial lenders. Those lenders would not likely welcome audits by the FCC as is required under FIMCLA. So there is really no way FIMCLA could be offered by the FCC.

• (1250)

It has also been suggested that FIMCLA should be amalgamated with the Small Businesses Loans Act. The problem with this idea is that the FIMCLA loss ratio is significantly less than the SBLA program. Most FIMCLA loans are made to establish farm operations because assets taken as security for FIMCLA loans generally have a higher disposable value.

This gets back to what I was originally saying. Farms are highly capitalized, therefore they also have capital to put up for credit purposes more so than to some smaller type businesses. As a consequence there are fewer loan loss provisions. It would be unfair to charge farmers higher interest rates and registration fees to subsidize small business loan losses.

In addition, most commercial lenders have segregated their commercial lending and agricultural lending divisions. Government loan guarantee programs currently mirror this structure.

FIMCLA gives farmers a better interest rate than they could normally get and allows them borrowing credit with only 20 per cent equity. In other words, they have the ability to get up to 80 per cent financing on their assets.

Finally, there has been some confusion about the meaning of the loan cap. The legislation provides that the total amount of the loans registered over a rolling five–year period will not exceed $1.5 billion. This legislation is really quite simple in that it doubles the cap, increasing the total cap to $3 billion within the program.

The parliamentary secretary was saying earlier that we were quickly approaching that cap. If we do not pass this legislation shortly we will have to curtail the program. I can assure members that as the spring work continues on the farms that some farmers would be unduly penalized if for some reason this legislation did not continue.

I repeat, this is the total amount of loans registered over the five–year period. It is not the total amount of loans outstanding because at any one time repayments have already been made on the loans registered in the first four years of the period.

In other words, it is a total loan application. Loans come and go. The total exposure of the government is substantially less than even $1.5 billion today or $3 billion in the future as we increase the cap.

The government's liability on the program is for defaults. Historically these have been very low, around 1 to 1.5 per cent. I can assure members that this is a very significant loan loss provision. It tells members a lot about our farm communities. It tells you that these people pay their bills. In spite of the fact that they are highly capitalized, and they do have a high debt structure, once again it is because of their type of operations.

I know this quite well because I actually farmed at one time. I can tell members that every time there was an extra dollar on the farm, it seemed to go back into some form of equipment. This is why farmers are highly exposed when borrowing.

I understand that all the parties I have heard of today are still in support of this legislation. I encourage members to pass it forthwith.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I wonder if the member for Durham would comment on a couple of matters. I ask his views.

Earlier this morning, the member for Frontenac from the Bloc Quebecois made the statement that he did not feel that the minister of agriculture could represent farmers from the province of Quebec because he was not as fluent in both official languages as some other people might be. Does the member for Durham agree we must be totally fluent in both official languages to represent each other?

The member for Frontenac certainly professes to know about agriculture in Canada. I feel that I know a fair bit about agriculture. We may or may not be as fluent in languages as we would like to be.

• (1255)

I compliment the member for Durham on his comments when he explained to the House, and hopefully the member for Frontenac understands the point he was making, that there are a number of management tools and different types of loans that need to be available to primary producers and co–operatives in Canada. One is the Farm Credit Corporation, which is used for land purchases and other major purchases along that line. Another example is the farm improvement or the FIMCLA loans which are usually used for renovations, improving buildings or buying pieces of equipment which are important and can be major.

Does the hon. member agree that we need these types of vehicles? I question the sincerity of the member for Frontenac when he says this is a duplication. They are different tools serving different purposes.

Could the member for Durham comment on those two issues?

Mr. Shepherd: Mr. Speaker, I thank the hon. member for his question.

My experience with the farm community is they can use as much help as they can get. Farmers often tell us that they are not getting enough access to capital and they wish the government would do more.

It seems incredible to me that the member for Frontenac would try to minimize the amount of access that the farm community in Quebec has to the financial institutions in that province.

Farmers can never have enough. The more people who are active in the business of financing farms the better. Certainly the federal government has shown for as long as I can remember its commitment to farming from sea to sea. I do not believe that the farmers of Quebec would want to lose that benefit.

The second point that the hon. member made was the concept that people cannot be represented here because of one language or another. I do not apologize but I am unilingual English. I have attempted to learn French from time to time but I have not been very successful. I guess I am not a good scholar in languages.

The Minister of Agriculture and Agri–Food represents all the farmers of Canada and has done so ever since I have been here. He has been to the GATT and NAFTA negotiations. I know he negotiates in the best interest of Canada from sea to sea to sea, which includes those interests which affect the farmers of Quebec.

I am very honoured that the minister of agriculture represents the agricultural community as well as he does. He has a very balanced approach. He very much tries to balance the interests of the agricultural sector in Quebec within the country as he does with all provinces. I have heard him on numerous times talking about a balanced approach, that we do not trade off one sector of commodities against another. That is nothing but good for Quebec and Canada and the operations of stable agricultural markets within our country.

I must confess I do not know the name of the agriculture minister in Quebec. I do not know the one in Ontario either. The one I do know is the federal minister of agriculture who represents us so well.

(Motion agreed to, bill read the third time and passed.)

* * *

• (1300)

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY ACT

Hon. Marcel Massé (for the Minister of Transport) moved that Bill C–81, an act to amend an act respecting the Buffalo and Fort Erie Public Bridge Company, be read the second time and referred to a committee.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, there have been discussions between the parties. I believe you will find there is unanimous consent to deal with the bill this afternoon at second reading, at committee of the whole and at third reading.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Maloney: Mr. Speaker, it gives me great pleasure to speak this afternoon on Bill C–81, an act to amend an act respecting the Buffalo and Fort Erie Public Bridge Company, which is the formal name of what we in southern Ontario and western New York State refer to as the Peace bridge authority.

I will give a little background on the Peace bridge authority. The authority was incorporated in 1923 under a special act of Parliament, following which the construction of the international bridge commenced in 1925 and was completed in 1927. An act respecting the Buffalo and Fort Erie Bridge Company was enacted in 1934. It empowered the authority to acquire, hold and manage the property and assets within Canada.

The authority owns and operates the Peace bridge and has 10 appointed members, five Canadian and five American. The authority is profitable and has no outstanding long term debt. It is self sufficient with any profits being used to improve and maintain the facility.

The Peace bridge and this act is very important to Fort Erie, the Niagara peninsula, the province of Ontario and Canada as a whole. The Peace bridge is located at the Niagara River crossing between Buffalo, New York and Fort Erie, Ontario. It is the second busiest cross–border highway link between Canada and the United States. More than 300 million vehicles have crossed the bridge since it opened in 1927.

In 1994 the bridge carried nearly eight million vehicles. Over one million or 14 per cent of these were trucks. It is estimated that $65 million worth of trade crosses the bridge daily.

As a result of continued expansion and development of international trade and traffic between the province of Ontario and the eastern United States, passenger car traffic and freight truck and other commercial traffic over the Peace bridge into and from Ontario has steadily increased over the years. Commercial traffic increased to 975,000 vehicles in 1993, an increase of 5.8 per cent when compared to 1992. When comparing 1992 to 1991, commercial traffic increased by 11.6 per cent.

In recent years particularly increases in traffic flow have accelerated due to regional and economic factors and international agreements between the two countries, including but not limited to the Canada–U.S. free trade agreement, the North American free trade agreement and GATT. This has resulted in substantial increases in congestion on the bridge and the adjacent Peace bridge plazas.

Congestion is now at the point where it is not uncommon for traffic to back up on and sometimes across the entire bridge to and from Canada. This has resulted in substantial traffic tie–ups on the Queen Elizabeth highway and on local streets in Fort Erie as well as similar problems on the New York State thruway, the Peace bridge plazas and on local streets in Buffalo. The congestion problems presently being experienced on the bridge will only increase in the future.

To improve traffic flow, the authority plans to implement a 10–year $89 million capital improvement project called the gateway project. This project will have a positive economic impact on both sides of the border.

In Fort Erie alone over $58 million will be spent on improvements that include: $11.6 million for a new commercial facility for Canada bound commercial traffic which will house Revenue Canada's commercial customs operations, commercial brokers and freight package firms; another $25 million on a commercial vehicle processing centre for U.S. bound commercial vehicles; and another $4.3 million for a Canadian gateway complete with new customs booths that will serve as a landmark for residents and tourists entering Canada. It truly will be a gateway to Canada, a gateway to the province of Ontario and a gateway to my riding of Erie.

A further $17.6 million will be spent on bridge painting and structural improvements. The bridge is presently painted with a lead based paint which must be removed for environmental reasons. It will be expensive, but is very necessary.

On the U.S. side there will be upgrading of the traffic plaza and the Buffalo terminus to the bridge which will include a reconfigured plaza providing improved access to major highways and into downtown Buffalo.

It can be appreciated that these proposals will translate into short term construction jobs and long term administrative jobs with a tremendous economic spin off impact throughout the region.

The bill also allows for a borrowing increase for the current projects that I have just mentioned. The amendments to the act will allow the authority to increase its borrowing authority from $50 million to $100 million. The authority's reputable financial adviser has reviewed the financial plans of the authority and has indicated that it has the capacity to borrow this sum of money.

• (1305)

I would like to emphasize that there are no costs to the Canadian government associated with the amendments. Section 6 of the current act specifically protects the government from liability for the authority's debt in the event of a default. All borrowing costs will be borne by the users of this facility.

I was concerned with the user pay implications for my constituents as we now enjoy very reasonable bridge tolls on the Peace bridge. Tolls will have to be increased to fund the necessary bridge improvements. I am assured however that they will remain competitive with tolls charged at other international bridge crossings in the Niagara region and southern Ontario.

The Peace bridge authority is very sensitive to this issue. Presently the passenger tolls are the cheapest of all bridge crossings in the Niagara region. Owners of commercial vehicles will continue to pay slightly higher tolls than those charged at the adjacent crossings. They will benefit from reduced costs resulting from the shorter line ups at the border. The authority is fully cognizant that excessively high tolls would divert traffic to other crossings and will act accordingly.

I was also concerned about the debt servicing of these loans and the ability of the authority to meet its financial obligations. I have been assured that the authority's debt repayment plan is sound. The need for this government to satisfy its concerns on this issue and on the environmental impact are the reasons for an almost one year indepth study and the necessary delay of this bill getting to the floor of the House. This government has acted cautiously and prudently.

I was very concerned about the environmental impact of the proposed capital project as well, but my concerns have been satisfied. Pursuant to section 5 of the Canadian Environmental Assessment Act, the bridge is not required to be subjected to a specific federal environmental assessment.

Given the potential impact of a commercial vehicle processing centre project on adjacent neighbourhoods in the town of Fort Erie and the fact that all transborder functions are a clear federal responsibility, Transport Canada completed an environmental screening of the commercial vehicle project in November 1994. The environmental screening determined that the commercial vehicle project may proceed as its environmental impact is either insignificant or mitigable with known technology. The authority has agreed to comply with the recommended mitigation measures. The commercial vehicle processing centre also meets all local, regional and provincial land use and environmental requirements which I think is very important.

Consequently, the decision to increase the borrowing power and transfer administrative powers will have no adverse environmental impact. Other initiatives under the gateway project will be assessed if need be in accordance with the requirements of the Canadian Environmental Assessment Act.

The legislation before us today also deals with the issue of future requests for increases in borrowing. This legislation gives the governor in council the power to fix the authority's borrowing limit at an amount greater than $100 million if a need can be shown. We can avoid the need for future legislative amendments which become costly and time consuming and are basically administrative in nature.

This administrative change will give the Peace bridge authority additional flexibility to meet more immediate operational needs and future major capital requirements. The simplified procedure will be more responsive for the Peace bridge authority.

The reduced time required to authorize an increase in the borrowing limit will also be less costly for taxpayers. Any increases of this nature will still be thoroughly reviewed before authorization by the Minister of Finance and the Minister of Transport. As a matter of note, such review would also be undertaken in the state of New York.

The act also provides for a transfer of authority. It is understood that the Minister of Transport has the prime responsibility in co–ordinating the role for federal policy on the international crossings. Of all the international bridge crossings, the Peace Bridge is the only one that comes under the authority of the Minister of Finance. This change therefore is an administrative rationalization. The transfer of legislative responsibility between ministers will correct what can be referred to as an administrative anomaly, as it is understood that the Minister of Transport again has the primary responsibility.

There are currently 24 international highway crossings between Canada and the United States. The Minister of Transport is directly involved in three that are federally controlled: the seaway, Thousand Islands and Blue Water bridges. Furthermore, some of these international crossings combine rail functions which are also the responsibility of the Minister of Transport.

It should be pointed out that Transport Canada assumes certain responsibilities associated with all 24 international crossings, such as policy directives, system planning, granting of construction and operating permits, environmental assessments and as previously mentioned, ownership in certain cases.

These activities are being co–ordinated and more often than not are being carried out jointly with our U.S. counterpart, the federal Secretary of Transportation, who shares similar responsibilities. In fact, in the United States all international crossing matters are dealt with through the International Bridge Act of 1972. It authorizes the United States president, secretary of state and secretary of transportation to negotiate, co–ordinate and sign international agreements in order to allow these crossings to be built, operated and maintained.

• (1310)

Therefore, transferring responsibility to the Minister of Transport will result in streamlining the relationship between the minister and the various bridge operators, whether private or public, dedicated public authority or provincial government. It will also facilitate the process of dealing with our U.S. counterparts. As well it will indicate to Canadians that this government is committed to efficiencies in public administration.

Henceforth, both the New York state and U.S. federal governments will be able to deal more effectively through the Minister of Transport. The minister and his U.S. counterpart meet regularly, particularly as a result of the North American free trade agreement, in order to facilitate the transborder movement of people and goods. International crossings are often a priority topic at these meetings.

The transfer of responsibility to the Minister of Transport will indicate to the various bridge operators that the current Transport Canada policy of promoting and supporting decentralized commercialized operations will be maintained and enhanced.

I will not say that these initiatives have been without their opponents who legitimately questioned debt servicing concerns and the environmental impact on adjacent neighbourhoods, especially as it relates to noise and pollution. In particular, the residents whose homes will border on the commercial vehicle processing centre had some very real concerns. I am satisfied that these concerns have been met.

I urge the authority notwithstanding to take its role as a community partner very seriously and to be mindful of its responsibilities to these community concerns. To date it has met these responsibilities and I am confident it will continue to do so.

There is no doubt in my mind that these upgrades and new facilities are urgently required. The planned improvements of the gateway project will speed the movement of traffic, particularly trucks, across the bridge. Streamlining the flow of bona fide cross border traffic is in keeping with the more liberalized international trade environment under the NAFTA. The importance of cross border trade in our community is enormous. The benefits of these improvements will be felt throughout the region, throughout the province and throughout our country.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, Bill C–81 is the bill before us.

The Buffalo and Fort Erie Bridge Company is a company formed by the Government of Canada in co–operation with the Government of the United States. The increased traffic on the international bridge resulting from the free trade agreement, which, it will be remembered, the Liberals opposed vigorously at the time, has now necessitated construction work.

The bill will accordingly allow the company to borrow up to $100 million on the private market through bond issues. This $100 million will help to pay for part of the Gateway project—a ten year $144 million project. Construction is planned on both sides of the border. It should be noted that the Government of Canada does not guarantee the $100 million loans. Theoretically, then, these loans are not binding on the Government of Canada.

The need to increase the borrowing power of the company will also enable the government to correct an anomaly. This bridge is the only one to come under the authority of the Minister of Finance. All the other international cross–border highways are the responsibility of the Minister of Transport, and the bill assigns him responsibility for this bridge as well.

A third aspect of this bill is that in order to facilitate future increases in the borrowing power of the Buffalo and Fort Erie Public Bridge Company, the governor in council is authorized by this bill to increase the borrowing limit.

It should be noted that the bridge authority must cover its expenses and that moneys spent to improve the bridge will be recovered through an increase in traffic and tolls.

For all these reasons, we support this bill, all the more so because the Bloc Quebecois has always supported the liberalization of trade and the NAFTA. The increased traffic on the bridge is a good example of the economic benefit to both countries of this liberalization. In opposing the free trade agreement, the Liberals showed at that time that they were unable to take economic decisions that would benefit Canada.

• (1315)

By proposing legislation in this House today that would help the bridge handle the increase in traffic resulting from this agreement that they so vigorously opposed, the Liberals are making amends, and in the same spirit I would be prepared to let bygones be bygones.

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, it is my pleasure today to inform the House the Reform Party is supporting Bill C–81.

The bill amends the act for the Buffalo and Fort Erie Public Bridge Company, the company responsible for the Peace bridge linking Fort Erie and Canada with the city of Buffalo in the United States.

The Peace bridge is the second busiest border crossing highway link between Canada and the United States. This bridge carried nearly 8 million vehicles in 1994. One million of these were trucks containing over $20 billion of traded goods.

With the implementation of our trade agreements and as a result of positive economic conditions, the Peace bridge finds itself not quite up to the task of facilitating smooth traffic flows.

Commercial traffic has accelerated to the point where there is a lot of congestion on the bridge and at the adjacent plazas. This has caused traffic jams on the access roads and local streets on both sides of the border.

To ensure the bridge can facilitate all trade and traffic, the bridge authority would like to implement bridge improvements called the gateways project.

To finance the gateways project, the bridge authority intends to market two 30–year bond issues in the United States totalling $70 million in 1995 and 1997. It will use its toll revenue to service this debt.

We in the Reform Party recognize that strong north–south infrastructure links are crucial to building on trade agreements we have implemented with United States.

If these infrastructure projects can be financed by the private sector, so much the better. It is our understanding that the bridge authority is profitable and has no long term outstanding debt. It is also our understanding that the government is protected from liability should the bridge authority ever default on debts in the future.

Since the federal government is not financially responsible for the Buffalo and Fort Erie Public Bridge Company, it is appropriate for the governor in council to approve borrowing increases.

In the future we will have to look at a different way of financing these projects. There will have to be more infrastructure financed by the private sector, by municipalities, as we cannot sustain these from the federal government. That would be looking down the road and I hope that approach could be used.

The other reservation we have is that the bridge authority should be held accountable in its meetings to the public. If various parties want to present briefs on the effects of toll increases or any environmental concerns, these briefs should be available to the public.

With this reservation, the Reform Party would support the bill.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the second time, considered in committee, reported and concurred in by unanimous consent.)

• (1320)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.) moved that the bill be read the third time and passed.

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, on a point of order, an agreement could not be reached under the provisions of Standing Order 78(1) or 78(2) with respect to report stage and third reading stage of Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

Under the provisions of Standing Order 78(3) I give notice that a minister of the crown will propose at the next sitting a motion to allot a specific number of days or hours for the consideration and disposal of proceedings at said stages.

The Deputy Speaker: Returning to Bill C–81.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I appreciate the position taken by the members of the opposition parties on this measure. The co–operation exhibited here is something to be commended.

(Motion agreed to, bill read the third time and passed.)

The Deputy Speaker: Is there consent to call it 1.56 p.m?

Some hon. members: Agreed.

The Deputy Speaker: The House will now proceed to the consideration of Private Members' Business as listed in today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

OFFICIAL LANGUAGES

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.) moved:

That, in the opinion of this House, and as the anniversary of the original Official Languages Act approaches (1969–1994), the government should thoroughly assess the way the act is applied in Canada by appointing some individual to carry out a detailed and balanced review of the work done so far, and reaffirm Parliament's commitment to a just and adequate policy on official languages.

He said: Mr. Speaker, it is a pleasure for me to rise today to begin debate on this private member's motion which calls for a review of the Official Languages Act.

This motion may seem familiar to members, and so it should. It originally appeared on the order of precedence last fall as M–107. At that time it was sponsored by Ottawa—Vanier MP Jean–Robert Gauthier who, as we know, has since moved on to the other place.

When Mr. Gauthier answered the call from above his worthy motion was dropped from the order of precedence. More than likely Mr. Gauthier and I have different motives for bringing this motion forward. The fact that I have chosen to do so speaks to the credibility of the motion and the widely held view that the Official Languages Act is not working as it was intended.

• (1325)

The Reform Party supports individual bilingualism but we oppose enforced bilingualism as dictated by the Official Languages Act. We would replace the Official Languages Act with legislation reflecting the philosophy of territorial bilingualism. We believe the primary responsibility for language and culture should rest with the provinces. Parliament and other key federal government institutions would continue to offer bilingual services.

Why do I say the act is not working? A quick look at the Commissioner of Official Languages 1994 annual report provides us with some insight into this claim. According to the commissioner our audits showed that French does not have equitable status as a language of work in the national capital region. He went on to say the shortcomings are essentially the same in Quebec and in Ontario.

[*Translation*]

This is what our present commissioner had to say about the act. A look back reveals that his predecessors shared a similar point of view. Former commissioner D'Iberville Fortier said: "It seems to me that we are clearly not at the point where we can claim to have translated the act into action in a manner that is judicious, consistent and unequivocal".

In a similar vein, former commissioner Max Yalden accused the government of being inconsistent, unimaginative and indiscriminate in its implementation of the act.

[*English*]

The first Commissioner of Official Languages, Keith Spicer, was often critical of the government's implementation of the act. His 1991 report "Citizens' Forum on Canada's Future" clearly spelled out Canadians' view on the issue:

The view was often expressed that Canada's official languages policy has contributed significantly to the current crisis, including animosity toward Quebec and/or toward French. Frequently used terms describe bilingualism as divisive and as breaking up the country.

An independent review of the application of the official languages policy is badly needed to clear the air, with a view to ensuring that it is fair and sensible. Otherwise

there is risk that rising public dissatisfaction and misunderstanding will lead to rejection of the policy as a whole with irreparable damage to the principles of linguistic equality in federal institutions.

One purpose of the review should be to make clear to Canadians the cost and benefits of official languages policy and activities and explain far more clearly its goals and methods. Such a review should evaluate public information efforts as well as investigate all of the public's expressed concerns.

This recommendation, like all the others contained in the $25 million document, was ignored by the government of the day, just as the Liberals continue to ignore the views of the thousands of Canadians who took part in this process. Despite this lack of government attention to the concerns expressed by Canadians, that recommendation is as valid today as it was in June 1991.

The people intimately involved with the act, the commissioners, say the act is not working as it should.

• (1330)

Other noted Canadians share this sentiment. In an interview celebrating the 20th anniversary of the founding of the B and B commission, nine of the commissioners talked about their original work and how it had been implemented by the Official Languages Act. Mrs. Gertrude Laing was less than complimentary about the way the act had been implemented in the public service. In discussing the wholesale creation of bilingual positions and the massive second language training program, Mrs. Laing said that they "failed to respect individuals' feelings and needs, fears and aspirations".

On those same issues co–chairman Davidson Dutton commented that it was "two steps forward and one step back". Mr. Paul Lacoste, in discussing language of work, lamented the decision not to follow the commission recommendation to set up unilingual language work units and called the language of work policy in the public service a failure.

Similarly Mr. J. B. Rudnyckyj regretted that the Official Languages Act contained such weak provisions with respect to Canada's ethnic minorities. All the commissioners were disappointed that bilingual districts had never been proclaimed as they were a key feature of the blueprint for equal partnership.

Gilles Lalande, deputy commissioner of official languages from 1980 to 1985 and co–secretary of the B and B commission also called the bilingual districts a cornerstone of language reform but said the subject had received little more than lip service and empty declarations of intent. He also said:

The language reform envisaged by the B and B commissioners never took place.

Mr. Lalande was equally pessimistic about the act itself saying:

Implementation of the act remains fragmentary and tentative.

He concluded by saying:

We have to admit that collectively we may have been overly ambitious and taken the wrong tack. It is high time to get our priorities straight.

Other prominent Canadians have also questioned the validity of the current act. Professors Denise Réume and Leslie Green in their 1991 article published in "The Network on the Constitution" wrote:

The main goal of any language policy should be to promote linguistic justice. Nothing in the conventional analysis even addresses this question.

Noted Concordia University sociologist Hubert Guindon stated in a 1978 article: "No matter how lofty its ideals, the legacy of the political disaster created by" the federal "official language policy is there for everyone to see". According to Professor Guindon, the act hinders rather than facilitates the changes needed as a consequence of the social modernization of the Quebecois. It contributes to a climate of ambiguity for immigrants in Quebec and uncertainty for the large private corporate sector in Quebec.

We have seen that several language commissioners, bureaucrats and academics believe the act has failed. If we return to the Spicer forum for a minute we could also see that average Canadians hold similar views. I have heard that firsthand in the west.

Here are a few short quotes from that 1991 report:

Pierre Trudeau's vision of a multicultural and bilingual society for Canada was a noble one, but it is apparent now that it simply will not work.

An hon. member: Hogwash.

Mr. Ringma: "Bilingualism has failed". It continues:

Two languages should be an asset, but administration of "official bilingualism" has taken a potentially wonderful and unifying asset and made it hurtful and divisive.

I could go on with many more such quotes expressed by average Canadians, but I believe this sampling gives a very good picture of the public's attitude toward the act.

If I heard "hogwash" from across the way, referring to what ordinary people are saying, I resent it. Canadians should have the right to express their opinion, especially on commissions such as the Spicer commission.

Now that we have clearly established the shortcomings of the act it is time to address the merits of the motion as it pertains to reviewing the act.

• (1335)

In his 1975 annual report on official languages, Commissioner Spicer wrote:

But surely there is merit in keeping more meaningful accounts. Without them, those dealing with language reform will have to continue waffling on the recurring questions of costs–hearing, but being unable to contradict convincingly such delicious polemical estimates—as $3 billion per year for bilingualism.

> It would seem more sensible to pull the whole lot of linguistic items together, specify the purpose for each, tote up the terrifying sum, add 10 per cent for integrated cost, then publish and defend the thing as the high but necessary price for being Canadian.

Those words were written 20 years ago but have been ignored ever since. I am not here to make any wild claims about the cost of official languages because the truth is that I do not know the cost. The truth is that no one knows the cost.

Why do we not know the cost? It is because the accounting practices used for these programs have taken more twists and turns than contestants in a Chubby Checker dance–a–thon.

Mr. Spicer knew this in 1975 and the government knows it today but refuses to act. On two separate occasions I put motions before the Standing Joint Committee on Official Languages but was turned down both times. That is why I am getting rid of some of my frustration in proposing the motion originally put forward by Jean–Robert Gauthier.

The people in this committee say that we have the numbers from the commissioner and there is no need for verification. However the truth is that the numbers are not verified in any meaningful way. The commissioner gets the numbers from the Treasury Board which he accepts at face value. Treasury Board produces these numbers based on cost reports produced by all departments and agencies.

The guidelines for producing the reports clearly state that certain costs are not to be counted, such as the person years and salaries of employees taking language training as well as those of staff hired to replace the employees on language training. They do not count those costs.

Treasury Board says that its books are open to the auditor general, but if the books do not contain all the information it is difficult to conduct a thorough audit. It must also be stated that the auditor general has never turned his attention to the full range of language policies and programs.

We know that in 1991 the auditor general looked at the Translation Bureau, found many problems and concluded:

> It became clear the Translation Bureau would have to undergo major changes to correct the weaknesses we identified.

In 1993 a follow up audit was conducted and the following conclusion was reached:

> Despite these efforts, however, we note that significant weaknesses still exist. We are particularly concerned about cost reduction.

This is but one small area of the official languages program. After 26 years has not the time come to fully probe the entire menagerie created by the Official Languages Act?

The only question that remains is: Who should carry out such an important review? I have already stated that the official languages committee has no desire to perform such a task. Nor would it be the appropriate body as it is out of step with the demographic and linguistic realities of Canada. It would also be impractical to impose this duty on any parliamentary committee as they are dominated by the Liberal government which I believe is committed to the status quo.

My motion simply calls for the appointment of someone to conduct a thorough and balanced review of the work done so far. This someone should be the auditor general. The office of the auditor general is highly respected by all Canadians. It is at arm's length from Parliament and therefore free from political interference. The auditor general is already on the payroll, meaning there will be no extra cost to the taxpayer to conduct this vital review.

• (1340)

[*Translation*]

As indicated in the Reform Party's blue sheet, we support the concept of official bilingualism. However, we do not approve the way the act has been implemented during the past 26 years. That act was never subjected to a complete review. This is totally unacceptable to those who care about the linguistic policy's integrity.

It should also be mentioned that the B and B commission correctly pointed out that each province is the ultimate authority on its own territory. Consequently, any future linguistic reform should be conducted through the provincial authorities. The Reform Party shares these views but, unfortunately, the principle is not found in the act as such.

[*English*]

Over the past nearly 20 minutes I have illustrated the shortcomings in the act as seen by official languages commissioners, bureaucrats, academics and average Canadians. I have stated logically why we must revisit the act and who should carry out the review: the auditor general.

The issue of language has proven to be the subject of very emotional and sometimes illogical debate in the House. We have seen it directly within the year. It is regrettable as the issue is far too important to be reduced to such a level of squabbling and name calling. Therefore I call on all members of the House to be cognizant of the sensitivity of the issue as they enter into debate today and in the coming months.

I bring the motion forward in the hope of furthering open and honest discussions on Canada's language policy. Partisanship and ideology will do nothing to enhance a true exchange of ideas.

I appreciate the opportunity to share my thoughts and look forward to hearing some intelligent and thought provoking debate on the motion before the House.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I am happy to have the opportunity to speak to the motion presented by the hon. member for Nanaimo—Cowichan.

[*Translation*]

The motion being debated today includes two proposals. The first one is that the government should thoroughly assess the way the Official Languages Act is applied in Canada, by appointing an individual to carry out a detailed and balanced review of the work done so far. The second proposal is that the government should reaffirm Parliament's commitment to a just and adequate policy on official languages. These are good intentions, no doubt about that.

However, do we not already have all the required processes to ensure that the act is properly applied and to see how it is implemented? I listened carefully to the hon. member's speech. It is true that the implementation of the Official Languages Act could be improved. It is that aspect that we, parliamentarians, should look at.

I heard about a number of flaws, but I did not hear anything about the positive aspects, and that makes me feel uncomfortable.

I also want to say that, from what I understood, the former MP, now a senator, had proposed something very similar in terms of assessing the way the act is applied across the country, from coast to coast. He was interested in reviewing the application of the act. So, I will discuss the topic from this perspective.

• (1345)

[*English*]

Let me explain. A number of mechanisms are available today. The Official Languages Act confers very clear responsibilities and rather precise mandates on three federal departments with respect to its application. These are the departments of justice, treasury board and Canadian heritage.

The Department of Justice has special responsibilities in the area of the administration of justice in both official languages under the act. The act clearly stipulates that English and French are the official languages of the federal courts and that either language may be used by any person in any oral or written proceedings.

The act further stipulates that the federal government is required to use the official language chosen by the other parties in a civil case to which it is a party before a federal court and that any final decision, order or judgment issued by any federal court must be made available simultaneously in both official languages under the circumstances specified in the legislation.

These are fundamental rights which guarantee all Canadians, whether they are English speaking or French speaking equal access to justice. This access is reinforced by the fact that the Official Languages Act requires all federal institutions, including the federal courts, to comply with the provisions of the act.

[*Translation*]

The second department with a specific mandate regarding official languages is Treasury Board. It is responsible for developing and co–ordinating the official language policies and programs of our federal institutions.

Treasury Board's mandate covers all federal institutions, including Crown corporations, and all agencies which have obligations regarding official languages under any other federal act. By virtue of the scope of its mandate under the Official Languages Act, Treasury Board is a key player in the management of the official languages program.

[*English*]

It is the responsibility of treasury board to ensure that federal institutions respect official language obligations regarding services to the public and the language of work with regard to the language of services. Federal institutions are required to provide services to the Canadian public in the official language of its choice in those locations and under the circumstances prescribed by the legislation.

Federal institutions have a further obligation to inform the public of the availability of services in the official language of its choice.

The official languages regulations adopted in 1991 identify the circumstances under which federal institutions are required to provide their services to and communicate with the public in both official languages. These regulations are essential to the application of the legislative framework enacted to ensure that Canadians receive the services they require from federal institutions in the official language of their choice.

[*Translation*]

In so–called bilingual regions, federal institutions must also provide a work environment which promotes the use of both official languages in the circumstances covered by the act. In particular, the federal institutions in question must provide bilingual human resources and central services, among others, to their employees, and must provide them with the general and common working tools in the language of their choice.

They must ensure that supervision is available to employees in both official languages, when this will contribute to the creation of a work environment promoting the use of both official languages. These institutions must also ensure that senior managers are functional in both official languages and that general and common information technology tools can be used in both official language. Lastly, federal institutions must be able to provide a comparable level of service in either

official language from one predominantly unilingual region to another.

The third element of the program, the equal representation of French speaking and English speaking Canadians, bears witness to the commitment of the government and Parliament to official languages.

• (1350)

This commitment means that federal institutions must ensure that their workforce reflects the presence of both linguistic communities in the Canadian population. Under the terms of this commitment, federal institutions must see to it that French and English speaking Canadians alike have equal employment and promotion opportunities.

[*English*]

It is the responsibility of treasury board to see to it that federal institutions effectively fulfil their legal obligations under parts IV, V and VI of the act and to report to Parliament annually on the status of official languages within the federal institutions covered by its mandate.

To this end, treasury board has been given the authority to recommend regulations and to give effect to the provisions of the act. It is also empowered to issue directives, to monitor and to audit the general compliance of federal institutions with official languages policies, directives and regulations. Treasury board may also evaluate the effectiveness of policies and programs of federal institutions and provide the public and federal employees with information on these policies and programs.

[*Translation*]

These are powers that the Treasury Board exercises every day in one way or another. These powers enable the Treasury Board to ensure not only that federal institutions fulfil their obligations but also that Canadians receive the services they need in the official language of their choice where prescribed by law and that they have equal employment and promotion opportunities in federal institutions.

The third federal department given specific responsibilities in terms of official languages, which I mentioned earlier, is the Department of Canadian Heritage. This department is responsible for encouraging and promoting a co–ordinated approach to the implementation by federal institutions of the government's commitment to enhance the vitality of official language minorities and to promote both French and English in Canadian society.

I had so many things to say, but I am coming to the end of my 10 minutes. I would simply want to add that I have not yet mentioned the fourth major player, the Commissioner of Official Languages, who also plays a key role in this matter. The Commissioner of Official Languages has the duty to ensure recognition of the status of each of the official languages and compliance with the spirit and intent of the act, in particular as regards the advancement of French and English in Canadian society.

Unfortunately, I must conclude my presentation. I had so many things to say, but if some of my colleagues are interested in my speech, I am ready to share it with them.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, let me start by restating the motion before us today, for the benefit of those who are watching us: As the Official Languages Act is 26 years old, it deem it important that the government thoroughly assess the way the act is applied in the country by appointing someone to carry out a detailed and balanced review of the work done so far and reaffirm Parliament's commitment to a just and adequate policy on official languages.

The Bloc Quebecois will have no difficulty voting for this motion. In fact, I requested almost exactly the same thing in a speech I made in this House on October 3. Let us look at where the need for this assessment comes from.

The Official Languages Act stems from the Royal Commission on Bilingualism and Biculturalism set up by Prime Minister Lester B. Pearson in 1963. The act was ultimately passed in 1969 by the Trudeau government in response to the sense of urgency felt at the time.

We will recall that the early 1960s were marked by the first manifestations of the FLQ, which were symptoms of profound discontent within Canada.

• (1355)

In fact, in a preliminary report issued in February 1965, the B and B Commission, as it was nicknamed in those days, stated that measures were urgently required as Canada was undergoing a major crisis.

According to a booklet published by the federal government and entitled *Official Languages Act in Brief*, the objectives of the act are as follows: first, to ensure respect for English and French as the official languages of Canada, and equal status, rights and privileges for these languages in federal institutions. Second, to support the development of English and French language minority communities and to encourage the acceptance and use of both English and French in Canadian society. Third, to set out the powers and duties of federal institutions in the area of official languages.

The document also points out that the provisions of the Official Languages Act stem from the linguistic rights guaranteed by the Constitution. So, the Official Languages Act provides that Parliament and the federal courts must work in both official languages; that the federal government must provide its

services in both official languages, based on certain conditions, and that it is committed to achieving full and equal participation of the two official linguistic groups. Since it was reviewed in 1988, the act also provides that the Minister of Heritage is committed to enhancing the vitality of linguistic minority communities, while also being responsible for co–ordinating the efforts of the various departments toward the fulfilment of that objective.

It is also important to take a look at the preamble of the Official Languages Act. It says that the Constitution provides that English and French are the official languages of Canada and have equality of status and equal rights and privileges as to their use in all institutions of the Parliament. It also provides that the public can communicate with these federal institutions in either official language; that public servants should have equal opportunities to use the official language of their choice while working; that English–speaking and French–speaking Canadians should, without regard to their ethnic origin or first language learned, have equal opportunities to obtain employment in the institutions of the Parliament and government of Canada; and, finally, that the federal government is committed to enhancing the vitality of linguistic minority communities.

Given all these good intentions, what is the situation, after more than 25 years under the Official Languages Act? There are a number of criteria that can help us determine the positive or negative impact of this legislation, including assimilation rate, education, income, availability of federal services in the minority language and, finally, language of work of federal employees.

The situation in Canada's francophone and Acadian communities is certainly not as rosy as the official line would have us believe. In fact, there is every indication that the francophone community outside Quebec is being assimilated, is losing ground where education is concerned, is getting poorer and generally does not have access to the federal services to which it is entitled in its own language. Furthermore, most francophones in the federal public service have to work in English. Warnings come regularly from spokespersons for these communities and the Commissioner of Official Languages. Apparently, to no avail.

Let us take a closer look at some of those criteria. First, the assimilation rate. To calculate the assimilation rate, we take the total number of persons who say their mother tongue is French and subtract the number of persons who tell the census taker that French is still the language spoken in the home.

According to information provided by Statistics Canada, between 1971, the year of the first census that included questions on language, and 1991, the year of the latest census, the assimilation rate of francophones outside Quebec rose from 27 per cent to 34.8 per cent.

French is losing ground across the country, including in New Brunswick, the only bilingual province, where the assimilation rate is still 8.4 per cent.

• (1400)

Of course, the trend is more dramatic in communities in western Canada. In British Columbia, for instance, it was 71.8 per cent in the 1991 census; in Alberta, 64.4 per cent; in Ontario, although the province has the largest francophone minority, the assimilation rate was 36.7 per cent, an increase of ten points over 1971.

In other words, English is spoken in the home by 71 per cent of francophones living in British Columbia; 64 per cent in Alberta; and 36.7 per cent of francophones in Ontario. It should therefore come as no surprise that Bob Rae, the present Premier of Ontario, said on CBC radio that, unfortunately, there were not enough francophones in Ontario for the province to become officially bilingual. Naturally, every effort was made to assimilate them—we can see the results 26 years later.

Statistics on the level of education in francophone communities are also alarming. Thirty per cent of the francophone minority outside Quebec is considered illiterate. In Ontario, the group for development stated recently that the level of illiteracy among the province's francophones was 31 per cent, compared with the figure of 17 per cent for its anglophones. We should, however, perhaps not be surprised by these figures, when all Canadian provinces officially prohibited teaching in French for decades and when, despite the present constitution, the many decisions by the Supreme Court and the many battles waged by the country's francophones, the right to education in French—

The Deputy Speaker: I remind you that you have about two minutes left.

Mrs. Tremblay: Mr. Speaker, that is impossible. I was told I had 20 minutes, like Mr. Ringma.

The Deputy Speaker: No, no. I am sorry. Speeches during private members' business are 10 minutes in length.

Mrs. Tremblay: Mr. Speaker, no, I am supposed to have 20 minutes.

The Deputy Speaker: The member for Joliette has the floor on a point of order.

Mr. Laurin: Mr. Speaker, it is 20 minutes' speaking time, is it not?

The Deputy Speaker: For the first speaker, and 10 minutes for all other members.

Mr. Laurin: Yes. For the first speaker of each party.

The Deputy Speaker: No, no. For the first speaker.

Mr. Laurin: For the first speaker who introduced the bill, and then the others have 10 minutes?

The Deputy Speaker: Exactly.

Mr. Laurin: So, there is a mistake.

Mrs. Tremblay: Then, I will have to conclude, and that is really unfortunate.

In fact, Mr. Speaker, it is most unfortunate that I have not had the time to read all my speech and that I was misinformed. I guess that is part of the procedure in this House and that, by now, I should have known better.

Anyway, the important thing is to say that we will support the motion of the hon. member for Nanaimo, because it is extremely significant, since we have to recognize that bilingualism in Canada is a failure. Now that multiculturalism has replaced biculturalism and bilingualism, it is no wonder that there are no longer any Canadians in Canada, but only Greeks, Japanese, Chinese, Germans, Ukrainians and Quebecers, who will make the right decision when the time comes.

So, I want to move the following amendment, seconded by the hon. member for Joliette.

That Motion M–381 be amended by adding after the word "languages", the following: "and that the Act be strengthened and applied in full from coast to coast to coast".

The Deputy Speaker: The proposed amendment is in order.

• (1405)

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, it is my pleasure to rise this afternoon and support the motion put forward by my hon. colleague from Nanaimo—Cowichan.

Twenty–five years ago the first Official Languages Act was passed, as has been noted. Since that time we have never fully reviewed its operation to see if this multibillion dollar ship is taking us where we want to go.

In 1988 the act was revised incorporating three main objectives: first, to ensure the equal status of the two official languages; second, to support the development of official language minority communities; and third, to set out the powers, duties and functions of federal institutions in this area.

To ensure compliance with the spirit and intent of the act, a commissioner of official languages has been appointed. His job is to protect language rights of individuals and groups, evaluate linguistic performance of federal institutions and monitor the advancement of French and English. In other words, the commissioner's mandate is to promote the act, not to evaluate its effectiveness.

Unfortunately, the auditor general has not undertaken a comprehensive review of the act during its entire 25 year evolution. This is a serious flaw.

What we do have is a series of reports, studies and audits of particular aspects of the act. Nobody has looked at the whole thing. Even if problems are identified, no one has the mandate to change aspects of it that are not working.

For example, in past annual reports the commissioner has repeatedly criticized the failure of the government to communicate the basic purpose of the act to the Canadian people. In the words of the commissioner, this has resulted in negative hearsay and durable falsehoods. Despite being over two decades old, Canadians still do not even understand why the act exists. Something is definitely wrong, but the commissioner is not empowered to fix it.

The commissioner's 1993 annual report notes that the Canadian solution to the co–existence of two dominant languages is focused on individual rights rather than the establishment of a territorial linguistic regime. This means the intention of the act is to ensure Canadians can receive services from federal institutions in the official language of their choice regardless of where they happen to live.

During 1993 the office of the commissioner completed its own study of individual choice versus territoriality in the implementation of language rights. Again I quote: "The study concluded that Canada has struck its own balance between individual rights and territoriality, and has done so as a function of its own history and specific human needs".

Despite the fact that the act is not supposed to be territorial in nature, government services in both languages are not universally available, only where there is significant demand and where it is reasonable, logical and fair to do so. This makes some sense but it does not meet the demands of individual complainants who believe their rights to full services under the act have been violated.

Each province implements the act differently. This means the results are also measurably different in each province. Is this a failure of the act or was this the original intention? If we do not review the act nationwide, how do we know whether the overall objectives are feasible or even desirable?

The 1993 report began with a quote from Montesquieu: "Nothing is just merely because it forms part of the law; rather, it should be law because it is just". The Official Languages Act is the law but if we do not examine it impartially and thoroughly how can we know that it is just?

One example of a perceived failure illustrates this point. Many minority official languages communities are upset because they do not receive services of comparable quality to those afforded to the majority. Perhaps this is neither realistic nor affordable. Perhaps we should be looking at providing services of adequate quality rather than comparable quality. No

one is looking at alternative solutions to these problems. The commissioner's role is to pursue the goal of comparable services, not to question whether that goal is attainable.

• (1410)

The Spicer commission studied Canadians' perceptions of the Official Languages Act. One participant: "Being able to speak both English and French should be a worthwhile personal goal for all citizens of Canada. It is also an achievable goal, if only the politicians had the courage to admit that the language policies they have been advocating for the past two decades failed miserably and left the country deeply divided. It is time to scrap the enforced bilingualism policy and heal the wounds".

As my hon. colleague mentioned earlier, another participant in the citizens' forum on Canada's future stated: "Pierre Trudeau's vision of a multicultural and bilingual society for Canada was a noble one, but it is apparent now that it will simply not work".

We are certainly a more bilingual country than we were in 1969, but we are far from achieving the goals of the act and it has been in operation for more than a generation. Surely if the act was workable we would have met most, if not all, of the goals by now.

The list of failures is long. We have failed to achieve equity in the language of work in federal institutions. We have failed to communicate the basic purpose of the act to Canadians. As a result, the act does not enjoy universal support. As I already stated, it has failed to provide comparable quality services to minority official languages communities. It has failed to establish universal access to services in the language of choice resulting in territoriality playing a significant role.

After 25 years why has the official languages policy failed to meet virtually all of its objectives? Without an independent review of the fundamental principles, structure and implementation regimes we will never know. We will merely continue to add to the list of failures because questioning the goals or the means of achieving them is beyond the mandate of the commissioner.

Let us compare the Official Languages Act to a sailing ship under Christopher Columbus. The office of the commissioner has certain tasks to perform, such as investigating complaints, auditing specific federal departments of compliance and ensuring implementation of minority language education programs. These are like the specific tasks of sailors to mend the sails, scrub the decks or feed the crew.

Every once in a while the auditor general comes along and performs an audit on a discreet part of the ship such as his 1991 audit of the translation bureau. This is like lowering a sailor over the side of the ship to chip off a few barnacles rather than checking the integrity of the hull. We fix one or two problems with the sails, replace some lines and bail out the bilge, but no one has looked at the whole ship. We are so concerned with the day to day operations and studying the individual components that no one has looked to see where the ship is going.

Columbus knew his mission was to get to the far east and he fixed the little leaks along the way, but after two months under sail he ended up in America instead. If we do not completely review the act, how can we be sure we will achieve the stated objectives? More important, how do we know our national objectives have not changed?

Right now we do not even know if we are still going in the right direction because we have not done one comprehensive audit in 25 years. Remember, his sails were repaired regularly but Christopher Columbus was not even in the right ocean, let alone on course.

I urge all members to support this motion to conduct a thorough review of the act. We may not all agree on where we think the official languages ship should be headed, but an independent auditor could make sure we are at least sailing in the direction supported by the majority of the crew, in this case the Canadian taxpayers who continue to foot the bill.

• (1415)

[*Translation*]

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I am pleased to enter this debate on the motion tabled in the House by the hon. member for Nanaimo—Cowichan and, what is really surprising, supported by a Bloc member, which indicates that the Bloc Quebecois will vote for this motion.

Over the week–end, in New Brunswick, the Société nationale des Acadiens et Acadiennes du Nouveau–Brunswick is holding its annual assembly; as one of its members, I would have liked to be there, but as the member of Parliament for Madawaska—Victoria and co–chair of the joint committee on official languages, I think it is even more important for me to speak to this motion.

I will begin by recalling the history and the purposes of this act. The original Official Languages Act was passed by the Parliament of Canada in 1969, following the recommendations made by the Royal Commission on Bilingualism and Biculturalism. The purpose of that act was to give French and English equal status, non only in Parliament and before federal courts, as was already guaranteed in section 133 of the Constitution Act, 1867, but in the whole federal administration.

[*English*]

In 1988 the Official Languages Act was thoroughly reviewed and amended. The new act defers from the old one in that it not only sets out the official languages right of the public but also clearly spells out the duty of the federal institutions in respect to these rights. It contains as well a solemn commitment by the government to enhance the vitality of the English speaking and the French speaking minority communities and to advance the recognition and the use of English and French in Canadian society at large.

We strongly believe that the Official Languages Act in its present form contains a complete legislative framework which is sufficient to ensure and to monitor the implementation of the act in a manner that is efficient, fair and transparent.

The House will know that all federal government institutions, departments, agencies and crown corporations are subject to the act. The key departments entrusted with specific responsibilities for the implementation of the act are treasury board, Canadian heritage and justice.

However, the administration of the act does not stop with federal government institutions. It is important to stress that the commissioner of official languages, the federal court and the standing joint parliamentary committee on official languages also fulfil important functions.

Allow me to review briefly the roles of the key federal institutions responsible for overseeing and reviewing the implementation of the act.

The Official Languages Act entrusts the treasury board with the responsibility for the co–ordination of the policies and programs of the government in the area of communication with and service to the public, the language of work within federal institutions as well as the equitable participation of English speaking Canadians and French speaking Canadians within those institutions.

[*Translation*]

The President of the Treasury Board informs the House when tabling his annual report.

[*English*]

It should be noted that the government on the recommendation of the treasury board has put into place regulations respecting service to the public in both languages. The final provisions of these regulations came into force last year.

Another key department under the act is that of the Minister of Canadian Heritage, who is responsible for co–ordinating the federal government's commitment with respect to the enhancement of the vitality of official language minority communities and the advancement of English and French.

Last summer in New Brunswick the Prime Minister and the Minister of Canadian Heritage announced new initiatives, including an accountability framework for the co–ordination of government commitment to the enhancement of the vitality of official language minority communities and the advancement of English and French.

The Minister of Justice is the legal custodian of the act since he retains general legislative responsibility for it.

[*Translation*]

The Minister of Justice has particular responsibilities in the areas of drafting legislation and administering justice, in both official languages, in federal courts as well as in criminal prosecutions under the authority of the Solicitor general of Canada.

• (1420)

[*English*]

We have already mentioned that the administration of the act does not stop with federal government institutions. The act provides for a linguistic ombudsman, independent of government and reporting to Parliament, who is charged with the duty of taking action to ensure that federal institutions comply with the spirit and the intent of the act.

The commissioner of official languages is not a court. He attempts to resolve issues relating to the application of the act through a process of administrative mediation. Through his annual and special reports to Parliament as well as his complaint reports the commissioner ensures that Parliament, the government and the public are kept well informed as to the administration of the act.

The act also provides Canadians with the right to seek court remedy. Pursuant to part X of the act the federal court may, if it finds that a federal institution has failed to comply with the act, grant an appropriate and just remedy.

Finally, I come to the role of the standing parliamentary committee on official languages which is charged, in the words of the act, with the duty to review on a permanent basis the administration of the Official Languages Act, any regulation and directive made under this act, and the reports of the commissioner, President of the Treasury Board and Minister of Canadian Heritage.

The committee has been very active in listening to the views and concerns of Canadians on official language matters. Both the commissioner of official languages and the Minister of Canadian Heritage have recently appeared before the committee as have a number of other ministers.

In my opinion the parliamentary committee is proving to be an effective, open forum for Canadians concerns with the implementation of the act.

[*Translation*]

I would like to add something to the speech. The hon. member who introduced the motion is a member of the Joint Committee on Official Languages. At the beginning of his speech, a short while ago, the hon. member said that his party, the Reform Party, supports the principles of individual bilingualism. At the end of his speech, he said that the Reform Party also supports the principles of official bilingualism.

In the Committee on Official Languages the hon. member did the same kind of flip–flop regarding the Official Languages Act, as I will demonstrate. At the beginning of our proceedings, the member made the following motion to the Committee: "Be it resolved that this committee endorse the recommendations contained in the commissioner's report on service to the public and further, that this committee encourage Treasury Board to draw up an action plan to implement these recommendations in as cost–effective and expedient a manner as possible, and that Treasury Board officials be invited to appear before our committee for the purpose of tabling their action plan at an early date", asking the committee to support unanimously the intent, the report and the Official Languages Act.

One month ago, the same member presented another motion where he proposed to abolish entirely the budgetary votes and the operating budget of the Commissioner of Official Languages.

This quite a turnaround. During the last Parliament, the Committee on Official Languages held only ten meetings over a two–year period. Since the beginning of our mandate, we have had 30 meetings in one year. Why? Because our government is keen on seeing justice done to both linguistic communities in Canada. And the main supporter of this justice and the primary promoter of the Official Languages Act is the Right Hon. Prime Minister.

If the Reform Party and the Bloc have doubts about that and are not sure that Canadians throughout the country support the Official Languages Act, they only have to look at the recent Gallup poll. It says it all.

The Deputy Speaker: The next time we debate this issue, it will be the Bloc Quebecois's turn to speak. The hour reserved for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 2.25 p.m., the House stands adjourned until 11 a.m. on Monday.

(The House adjourned at 2.25 p.m.)

HOUSE OF COMMONS

Monday, June 5, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

MINING EXPLORATION AND DEVELOPMENT

Mr. Benoît Serré (Timiskaming—French River, Lib.) moved:

That, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

He said: Mr. Speaker, I am very happy to introduce in this House today a motion calling on the government to consider a program of mining incentives which would encourage exploration and development in Canada. First of all, allow me to commend the hon. Minister of Natural Resources for officially declaring a national mining week last month.

This shows that the government recognizes the mining sector's important contribution to the Canadian economy and partly fulfils our commitment to promote at the international level Canadian interests in this area.

[*English*]

I believe that the industry has also done a tremendous job in promoting mining through its Keep Mining in Canada campaign. I want to congratulate it on this important initiative.

I would also like to thank the Minister of Finance for implementing in his 1994 budget measures to allow the deductibility of reclamation funds. I recognize there has been a substantial increase in exploration throughout Canada in 1994 and there is a prediction of a further increase in 1995 to a level of approximately $650 million. Despite this, major problems and impediments still exist to a sound and sustainable mining sector in the country.

• (1105)

Some of the impediments that were identified both in the natural resources committee report, the Whitehorse mining initiative report and by the industry are as follows: insecurity of land tenure either because of the creation of new parks or because of native land claims; flight of exploration capital to third world countries, especially South America; complexity, duplication and delays in issuing permits and environmental assessments; and to a lesser degree, the effect of profit and non-profit based taxes and levies.

Canada needs a minimum of $900 million to $1 billion worth of exploration capital annually to rebuild our ore reserves which have been depleted to a dangerous level.

I would like to state a number of statistics which will clearly demonstrate the importance of mining to the Canadian economy. These facts are based on information from Statistics Canada and Natural Resources Canada.

The mining and mineral related industries employ 335,000 Canadians. Of these, roughly 57,000 were employed in mining, including coal mining, 57,000 in smelting and refining, 85,000 in metal semi-fabrication and 129,000 in metal fabrication.

Mining is the mainstay of employment for over 150 communities. Canada is the world's largest mineral exporter. Mining provides 14.6 per cent of total exports and contributes $11.7 billion to the trade balance. Canada produces some 60 commodities, leading the world in the production of uranium, 28 per cent; zinc, 15 per cent and potash, 34 per cent.

Canada is the world's second largest producer of nickel at 22 per cent; cadmium, 11 per cent; asbestos, 17 per cent; elemental sulphur, 22 per cent; and ranks among the top five producers of platinum, group metals, gypsum, aluminium, copper, lead, cobalt, titanium, molybdenum and gold.

Mining, and resource industries generally, lead all other industrial sectors in productivity. During the last decade labour productivity increased by 103 per cent in mining and concentration, by 87 per cent in smelting and refining and by 32 per cent in metal semi-fabrication. In 1993 mining added $20 billion to the Canadian economy, equaling 4.2 per cent of the gross domestic product.

Canada is the third largest mining nation in the world. For every 10 jobs created in the mining industry, eight more spinoff jobs are

created. Almost 80 per cent of Canada's mineral production is exported. Mining provides 14.8 per cent of Canada's total exports, contributing $9.9 billion to the mineral trade balance.

Minerals and metals account for 60 per cent of the material transported in Canada by rail and through our ports. Ontario at 30 per cent; Quebec, 17 per cent and B.C., 16 per cent, account for more than 60 per cent of Canadian mineral production.

Mining stocks make up 55 to 60 per cent of trading on the Vancouver Stock Exchange; 20 to 30 per cent of trading on the Toronto Stock Exchange and 20 per cent of trading on the Montreal Stock Exchange.

The amount of land used for mining in Canada is less than half the size of P.E.I.

Let me now inform the House of the worrisome trends in the mining sector that forebodes a very uncertain future. Since 1991 Canada dropped from first place to fourth place in its ability to attract international investment in new mines according to the Metals Economics Group in Halifax.

• (1110)

Between 1990 and 1993 Canada saw 44 mines close and only 24 mines open. Canada lost 19,579 mining jobs between 1990 and 1993. In 1970 mining contributed 6.4 per cent of the GDP and in 1993 4.2 per cent. In 1992 exploration expenditures were the lowest since 1967. Mine site investment reached $6.7 billion in 1991 and by 1992 that number was cut in half.

In 1988 the amount of exploration and development money spent in Canada was about $800 million, compared to less than $400 million in Chile. These numbers were reversed in 1992. In 1993 Canadian companies spent almost as much if not more in Latin American as did the local companies.

In 1993 employment in the mineral industry was 335,000, about 2.5 per cent of the total national employment. This is a 3.5 per cent drop from the 1992 figure of 347,000. In 1992 mine investment in Canada was about $3.1 billion, down from 1991 figures by 18 per cent. In 1993 Canada's mineral production totalled $14.9 billion, a decline of 10.8 per cent from the 1992 amount of $16.7 billion.

Canadian companies with budgets of more than $1 million spent close to $260 million on exploration outside Canada in 1993, almost half of their total budgets. This is an increase over 1992 when they spent 40 per cent on their exploration budgets abroad.

Since World War II the cost of fine based metal deposits in Canada rose from $6 million to about $150 million, a 25 per cent increase as corrected for inflation in 1989 dollars.

My motion calls on the government to implement a new program of mining incentives which would encourage exploration and development in Canada. What do we mean by mining incentives? Most people would automatically equate incentives with grants or tax based measures but there are incentives that are much more important than that.

The mining industry does not want grants. It wants a level playing field and a tax system which is truly competitive with the rest of the world. It wants security of land tenure and a certainty of continuity in the rules of the game in terms of issuing permits and doing environmental assessments.

How can the mining industry interest investors when the goal posts keep moving all the time? How can it convince investors to spend hundreds of millions of dollars only to have the property declared a park, as it was done recently in British Columbia with the Windy Craggy property?

Although I recognize that most of these rules fall under provincial jurisdiction, I believe the federal government must play a leading role in bringing all parties involved together. If we want to create more parks in the country, let us do it now and declare them off limits. However, let us also ensure the industry that the rest of the country is open for business and that if it spends exploration dollars it will be permitted to develop its discovery and reap the benefits.

The Standing Committee on Natural Resources conducted extensive hearings with all the stakeholders. The result was nine key recommendations on mining incentives which were almost entirely present in the Whitehorse mining initiative report.

I would like at the present time to present the House with those recommendations:

Recommendation 1: That the federal government, in conjunction with its provincial counterparts, work to remove the structural impediments to mineral investment outlined in the Whitehorse mining initiative final report by the year 2000.

Recommendation 2: That, on recognition of the uncertain long term prospects of the mining sector, the need for a more attractive exploration investment regime for junior companies and the positive impact of mineral exploration activity on regional development and job creation, the federal government implement tax measures in its February 1995 budget to encourage Canadian mineral exploration.

Recommendation 3: That, subsequent to recommendation 2, the federal government introduce a mineral exploration incentive by modifying the Income Tax Act to incorporate a change in the adjusted cost base of flow-through shares from a value of zero to the actual cost of the shares—

Recommendation 4: That in order to enhance the effectiveness of exploration work financed by means of flow-through shares, the federal government enable the exploration activity funded through such shares to be carried out over a period of one full year after financing.

Recommendation 5: That, to assist junior and*or single mine companies, the federal government exempt mineral exploration and development companies without revenue from mineral production, from application of the Large Corporations Tax.*

Recommendation 6: That in order to enhance the effectiveness of mineral exploration, core geoscientific funding under existing federal-provincial mineral development agreements, MDA, be preserved under alternative programming.

Recommendation 7: That once initial steps have been taken to improve the investment climate in Canadian mining, the federal government, its provincial and territorial counterparts and the domestic mining industry develop, through consultation, an integrated approach to communicate the positive features of the Canadian mining sector to potential investors.

Recommendation 8: That Natural Resources Canada, together with its partners in the provinces and the industry, establish a national database on active and orphaned mining sites and reclamation work that must be undertaken on those sites.

Recommendation 9: That the Minister of Finance amend the Income Tax Act so as to defer taxation of income generated within mine reclamation trusts until the funds within these trusts are finally allocated for reclamation purposes and that the minister make an announcement to that effect in the next federal budget.

• (1115)

The main thrust of the last federal budget was deficit reduction. It was about putting our financial house in order. It was about getting the fundamentals right so that all sectors of the economy including mining could regain confidence in Canada. I agree 100 per cent with the Minister of Finance.

It would have been very difficult to justify tax breaks or expenditures in one sector of the economy while cutting all other sectors dramatically. However, we must look at the next budget and beyond. While I realise it would be next to impossible to implement all the measures recommended in the natural resources committee report in the short term, there is much we can do without breaking the bank.

Some of these measures are included in the keep mining in Canada 10 point program: establish a process for land use planning that respects mineral tenure to ensure both the protection of Canada's natural heritage and access for mineral resource development; streamline federal-provincial environmental regulations to avoid costly duplication and delays; implement an appropriate incentive to stimulate grassroots mineral exploration; change tax laws on mine reclamation funding to encourage investment in new mines; launch a national initiative to build necessary infrastructure for northern Canada's economic self-reliance.

[*Translation*]

In conclusion, there are still many Hemlos and Boisla Bays in this country. It is up to us as a government, to the mining industry, to the First Nations, and to environmentalists to join forces in a spirit of co-operation and compromise so that mining can become once again the cornerstone of the Canadian economy.

• (1120)

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I would like to congratulate my colleague, the hon. member for Timiskaming—French River, on presenting Motion M-292, which reads as follows:

That, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

After sitting on the Standing Committee on Natural Resources with my hon. colleague for nearly four months to review the Canadian mining industry, I would say that the government is well aware of the situation of this industry, which is confronted with one of the greatest challenges it has had to face in years.

The fact is that base metal reserves have been dwindling since the 1980s, and these are unlikely to be replenished quickly in the near future, as mineral exploration has declined in Canada in recent years.

The mining industry has repeatedly expressed its concerns to the Government of Canada, which, instead of making the adjustment process easier, is in fact making matters worse by letting the investment climate deteriorate in the mining industry in Canada, as compared with rival countries.

More specifically, the mining industry claims that recent trends in mining taxation have caused a decline in exploration and other investment activities in the Canadian mining industry.

A mining exploration incentive program similar to the one put in place in the 1980s should be implemented, but with stricter controls. In spite of the depletion of base metal reserves, Canada's geological potential is still enormous.

Just to show how great this potential is and how much interest it generates, suffice it to say that, on April 25, more than 700 people, VIPs, guests and employees, attended the official opening ceremony of the Louvicourt mine, near Val d'Or, 2,000 feet beneath the surface of the earth.

This mine, which was started up with $300 million in investments and will provide more than 350 direct jobs for a minimum of 15 years, is the result of a joint federal-provincial initiative, the province being in this case Quebec, to conduct exploration around old mining sites that had already been mined out and were therefore not considered as likely to offer sufficient prospects.

New technologies and adequate financing made it possible to open this mine containing copper, zinc, gold and silver, with an estimated capacity of approximately 4,000 tonnes of ore per day for the next 15 years. Recent finds in adjacent zones could extend the life of the mine to 25 years; it is the largest underground copper mine in Quebec at this time.

In addition, three other major mines will open in the next two years as a result of flow-through incentives from the 1980s that promoted a surge of mine exploration.

This is proof that federal tax incentives must be enhanced by adapting them to those of the provinces, so as to encourage preliminary mining exploration and replace the base metal reserves, in Quebec and in Canada, being depleted.

Such a measure would also limit the impact of the developing countries which, through aggressive promotion campaigns, managed to convince many Canadian companies to concentrate their efforts on mining opportunities at the international level.

Because of this, the Canadian mining sector is getting smaller. This, in turn, has a major impact on the Canadian economy as a whole, as well as on many regional economies which rely heavily on the mining sector.

Mining incentives provided in Canada are not less attractive than those existing in most other competing countries. Yet, these incentives do not generate enough preliminary mining exploration activities to replace the reserves of base metals being depleted.

In the meantime, some developing countries have many high quality mining projects on the go, either on the surface or just under it, and they currently do not need incentives to promote their preliminary mining activities.

It is therefore necessary to intensify preliminary mining exploration in Quebec and in Canada. The solution could be to improve the overall international competitiveness of mining investments in Canada.

• (1125)

To that end, it is essential that all levels of government strive to create a favourable investment climate. This includes the following measures: first, improving environmental regulations and the time required to deliver mining licences; second, improving land access and land use, as well as the tax provisions which relate to income and which are not based on profits; third, having a positive impact on the other costs relating to the operation of a company.

The time has come to take into account the economic impact of the restrictions and prohibitions which were imposed in the eighties regarding land use, and which adversely affect Canada's image as a place to invest. We must look at the economic benefits related to our mineral resources, and we must make major improvements to the process for designating protected areas, as well as to the industry's ability to have a significant impact on that process.

As early as September 1992, in its report on the mineral industry, the intergovernmental working group on the mineral industry identified five urgent issues necessitating government intervention. They were the following: first, stopping the erosion of Canadian producers' competitiveness in certain key sectors of mineral production, including copper and nickel; second, increasing reserves of base metals in Canada; third, finding new ideas and developing technology, policies and programs to make grassroots prospecting more efficient, so that new high calibre mineral deposits can be discovered, like the one at Louvicourt, close to Val d'Or; fourth, reversing the obvious trend among mining investors, including Canadian mining multinationals, of passing Canada over in favour of developing countries in Latin America, Asia, or the Pacific with rich resources; fifth, in general, implementing a policy and regulatory framework that is more conducive to maintaining the viability of the industry and stimulating investment in the exploration and development of minerals in Canada.

Regarding the production costs associated with the main metals, Canada is very competitive on the metal market because of the low cost of operating its mines, which is mostly the result of high productivity levels in the industry.

In fact, the Canadian mineral industry was able to considerably increase its productivity because of the rationalization caused by the recession in the 1980s. The productivity of all sectors of the industry markedly increased as a result of new technologies and new mining methods, which were developed in Canada for the most part.

We must consider future generations. We must prevent the decline of base metal reserves by planning now for the exploration and mining of new deposits to replace those that will eventually be depleted.

I would like to point out that financial incentives, sometimes offered by provincial governments and sometimes by the federal government, exist or should exist, but they should be properly co-ordinated. For instance, assistance for the purchase of mining equipment. In this case, the company should be given a tax holiday of two or three years—the time it takes to build a mine. Quebec does this in the case of new mines but the federal government does not.

There are also regional investment funds. In fact, it costs at least $10 million to do the exploration work on a site that may yield $100 million. However, if there is no money to dig, this does not create jobs. We need regional investment funds to develop local sites.

We also need a consortium. The Fonds de solidarité des travailleurs du Québec wants to invest money in mining development. We are glad this is happening in Quebec, but it could be done in other provinces as well. Mr. Speaker, since you say I have only a few minutes left, I will drop the list of suggestions. I can take them to the natural resources committee.

In concluding, I want to mention very briefly the main points we discussed on the Standing Committee on Natural Resources, namely that the mining industry merits immediate tax relief to help offset the existing structural impediments, to restore some of the fiscal advantages taken away during previous rounds of tax reform, and to boost sagging levels of domestic exploration.

Finally, to enhance investor attraction to flow through shares, historically an important source of investment capital for junior mining firms, it was proposed that the adjusted cost base of such shares should be changed from zero to the actual cost of the shares.

• (1130)

This incentive should be available for five years, allowing time for structural reform to be completed.

Finally, these tax changes, together with the measures I mentioned earlier, would help create a climate more conducive to investment in the mining sector in Quebec and Canada and would help to create jobs.

[*English*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I must confess that I approached the debate this morning with some trepidation because I saw the words mining incentives in the motion of the hon. member for Timiskaming—French River.

My immediate thought was he wants some lollipops for the mining industry. However, having heard the hon. member speak and explain that what he is really seeking is a more sensible and sane regime of mining taxation, a more reasonable regulatory regime both federally and provincially, I support the hon. member's motion and I am pleased to do so.

I would draw the attention of the House to the fact that the natural resources committee held extensive hearings last fall on this very question and came up with nine recommendations that were endorsed by all parties in the committee. Of course the government chose to ignore all the work that was done and all the witnesses we heard in that committee. Perhaps we have learned to accept that. That is the way Parliament works.

Maybe we can revisit some of these things. On the federal side, I would particularly like to see a revisitation of recommendations 4, 5, and 9, all of which deal with taxation and which would not cost the government a great deal of money in terms of revenue forgone but would send a message to the mining industry to indicate that we are in business here to do mining and the mining companies are welcome.

On recommendation 4, which deals with the way flow-through funds are spent, under existing regulations if one raises money through a flow-through issue the schedule of spending is tied to the taxation year. The result of that is that if a company gets its underwriting complete and gets its money right near the end of the taxation year, they then have to rush out and spend it madly before the taxation year has ended. This causes all sorts of grief for the people in the field and it causes huge amounts of money to be wasted.

I have had personal experience with this on several occasions. We must get away from that and allow companies, as was recommended by the committee, the possibility of having a full year to spend the funds once they are raised. This is extremely important, and it would cost the government nothing. It only means a small change in the way the regulations are enforced.

I would urge that we look again at the current taxation system of applying the large corporations tax to mining companies that have no income. There are quite a few of them out there, and if they are doing exploration work and have no income they are obviously either raising more money in the capital market or they are going into debt. This is not recognized when you make them pay a tax on their assets. This does not make sense. It is not good for the companies and it is not good for the country.

The final one that I would like to see brought in, and I hope it will be brought in next year, is our recommendation for changes to the Income Tax Act with regard to the deferring of taxation on income generated in mine reclamation trusts.

If a company is obliged to put money into a trust in order to satisfy future obligations for mine reclamation, surely to heavens they should not be taxed for the income on the money that they do not have, which is what we have now. Let those things be treated like an RRSP, which is what the committee recommended. Again, it would cost the government very little, but it could get us a few new mines and it certainly would encourage the mining industry.

• (1135)

Getting on to some more general matters, away from taxation, we all know that we are witnessing and have been witnessing a progressive decline in investment, employment, and mining exploration over the last five years. On an average, we are losing 6,000 employees per year in the industry and have been for the past five years. Part of it is due to taxation, but most of it unfortunately is due to land use policies, regulatory policies, and the lack of security of tenure. I would put a great big exclamation mark beside that lack of security of tenure.

It is no fun to go out and spend many millions of dollars developing a mining property and then find that because the rules have changed you are not going to be allowed to develop it. The classic example, of course, was the Tatsenshini case in northern

British Columbia, the Windy Craggy deposit, where it was almost absent-mindedly decided by the Government of British Columbia to abandon the traditional Canadian principle of multiple land use and to tell a company that had spent huge amounts of money developing what would have been a mine that would have contributed billions of dollars of economic activity to Canada: "No, you cannot put that into production. It is gone. It is going to be inside of a vast park. We are going to forgo all this potential economic activity and take away your property rights to provide a playground for a few well-heeled tourists". This is economic madness.

Of course the federal government also is not without guilt in regulatory nonsense. When the Kluane Park in the Yukon was set up some 20 years ago, they were advised by their own Geological Survey of Canada that the area had considerable mineral potential and that some of it should be left out for future development. And the government said no, we are going to have it all reserve. First it was turned into a land reserve and it has since been turned into a park. There are potential mineral deposits there, and they are locked away from beneficial use for Canada for untold years to come.

Federal regulations also impinge on a minor scale, which can been very irritating. I can cite a personal experience I had a few years ago in northwestern Ontario. I had to build a bridge across a creek in order to move a drill rig onto a property. I got all the necessary permits from the forestry department and the environmental people. I was ready to go when someone said, "Oh, by the way, you have to have a permit from the coast guard". I thought they were joking, but they were not. This was a little creek about 50 feet wide and about 12 inches deep and I was told that the coast guard had jurisdiction because this was navigable water. I said they were mad. Yes, it is navigable. You can paddle a canoe up that creek; therefore it is navigable water so you need a permit from the coast guard to build your bridge. Surely we can have some changes to that type of regulation to make this a more attractive country to work in.

I could on with this sort of anecdotal material probably for the next couple of hours, but I think members are getting my general message. I do support the hon. member for Timiskaming—French River in his initiative and I do hope the House will ultimately give approval to his motion.

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, it is indeed a pleasure for me to participate in the debate on the motion of the member for Timiskaming—French River. I am very, very pleased to support the motion.

The motion calls upon the government to look at the mining industry and what it can do to support it. This motion calls on all sectors of our economy that deal with mining to work together to keep mining in Canada, as the slogan of the Mining Association of Canada reminds us.

• (1140)

On a personal note, I would like to mention that mining is part of my family and part of my personal history. My father was a part time prospector and mine developer. I have fond memories of days up near Shining Tree on his small gold claim. You would probably be interested to know, Mr. Speaker, that the very first mine in Canada was in Bruce Mines, Ontario, in my riding, on the north shore of Lake Huron. It was a copper mine, which was established in 1850. It may not be a fact that everybody knows, but everybody should know this. I thank my colleague for that piece of history.

I also want to say that my home is in Elliot Lake, Ontario, which once was the uranium capital of the world. There is now just one uranium mine left, but it is still very much an active part of the mining community. Even though this mine may possibly close next June, the fact is that mine rehabilitation, which I will cover a bit later in my comments, will keep Elliot Lake in the mining industry for many years to come.

One of the most important things this debate allows us to do, apart from calling on the government to work with industry to make sure that mining remains a strong part of our economy, is to make sure Canadians understand how important mining is to our economy and to our communities.

There are a number of myths about mining. I appreciate the attempts by the Mining Association of Canada to deal with the myths and I would like to help them in that regard. There is a myth that mining has an impact only on remote areas of our country. The fact is that yes, mines tend to be opened up where there are not very many people around, but there are 300,000-plus jobs that are directly related to mining and another 300,000-plus jobs that are indirectly relating to mining. A significant percentage of those jobs, possibly even a majority, are in our cities. Our economy is significantly impacted by mining. We just need to look at the papers every day and see how active the trade is in metals and minerals.

Another myth I would like to dispense is that mining will always be here and will always be part of our economy. However, that is only true if we continue to look for new reserves of metals and minerals. It is not the kind of thing we can just ignore and pretend that sometime in the future we need not worry about our reserves of these natural resources. We must always work diligently to maintain our inventories.

There is the mythology that mining is environmentally damaging and that the industry is irresponsible. This is also not true. Tremendous strides have been made in the mining sector and in mining communities to deal with the sometimes temporary damage that must necessarily take place in the landscape. The Canadian mining sector and miners have made a commitment to preserve the environment and to make sure that when a mine is closed down reclamation is put in place to return the land to a near natural state. Those initiatives have been tremendous in Canada. Canadian

mining companies and miners, who are among the best in the world in their business and work, have done a great service to our country and to the world in terms of leading in environmental protection.

Another myth I would like to deal with is that mining is a low-tech industry. Well in fact mining is very high tech. I mentioned a moment ago that Canadian miners are among the best in the world. They are among the best in the world because the mining sector is very high tech. In fact, innovation is taking place all the time.

Members might be interested to know that for the output of a million dollars of product it takes half the manpower resources in the mining sector compared to the manufacturing sector at large. This is an indication that in order to compete in the world and to produce metals and minerals at prices that are competitive we have to utilize and invest in high technology. We have done that in this country.

I would like to come to what the federal government is trying to do in its efforts to support the mining sector. There are many programs. I know we are being called upon at various times to put more money into the sector through tax incentives. This motion today does not call for those specific measures. We do hear from time to time that there should be more tax measures in support of the industry.

• (1145)

In fact much leadership is now provided by the federal government in terms of support for the mining sector. That leadership has led to partnerships which set an example for the entire world. In my own community of Elliot Lake the CANMET laboratory is doing some leading edge research on mine rehabilitation.

Under CANMET and in partnership with stakeholders in the mining community we have MEND, the mine environmental neutral drainage program. This is a major partnership to ensure that the acid produced from mine tailings is minimized and that there is no damage to the environment. This kind of research can help the world. There is mining development around the world and Canada is a leader in terms of protecting the environment. We must show to the rest of the world that there is a way to mine properly and to preserve the earth.

The federal government is also involved in the aquatic effects technology evaluation program. This program determines through our satellite technology what kind of impact mining is having on the environment. It helps industry in terms of preparing environmental assessments and resolving problems.

The leadership we are seeing in the mining sector in co-operation with the federal and provincial governments is quite amazing. I was at the Sudbury 95 Mining and the Environment conference just last week. I was impressed. The conference was sold out. People came from all over Canada and around the world. Every continent was represented. The interest in responsible and sustainable mining truly impressed me.

This leads me to the one single point I would like to make in all of this. The Mining Association of Canada in its outline of what kinds of things the federal government can do to assist says that an important first step is a sound mine reclamation policy. It is interesting that the first thing it says is mine reclamation. It is not saying the finding of more minerals and metals or tax incentives to assist in the milling and processing of metals and minerals. No, it is saying the most important thing is mine reclamation and I have to agree. Mine reclamation and mine rehabilitation is the way to go.

My colleague, the member for Timiskaming—French River, mentioned that we have been asked to consider the tax status of interest earned on the mine reclamation funds. I know this is a touchy issue. While the Minister of Finance has not committed himself or the government to make moves now on this or any other tax measure, his mind and ears are open. He is listening. We have an ongoing dialogue with him and the Minister of Natural Resources to ensure that the tax regime that impacts the mining sector is proper, appropriate and productive.

I want to commend the Mining Association of Canada for putting reclamation first. This government did respond, as I would like to remind the House, in the 1994 budget by providing that funds put into a mine reclamation fund would create a tax deferred situation so that taxes would not be paid right now on funds invested in mine reclamation. How we treat the interest in those funds is a debate that we would want to continue with the industry. I would point out that the interest saved by the industry because of the tax deferral is something that is a benefit in its hands.

What is the future of mining in this country? Fundamentally it is based on the prices out there for metals and minerals. My colleague beside me knows about farming and perhaps a little bit about mining too. He knows in farming that it is the prices which really count the most at the end of the day and at the end of the season. It is the same thing in mining.

We have seen a tremendous increase in mining investment over the last few years. In 1993 it was some $500 million of investment. We expect this year to be up into the mid or high $600 million of investment. We are not as high yet as we were in the early 1980s but the trend line is right.

• (1150)

We can compete with the rest of the world. We can compete because we have the best miners in the world. We have the best mining companies in the world. We have an attitude toward mining and the environment which is a kind of leadership that makes me proud to be a Canadian, to have a little connection to the mining

industry through my community, my father and my own few summers at Inco in Sudbury.

In conclusion, I too call on my colleagues in this government to pay attention to the mining industry, to continue partnerships, to continue finding ways that will ensure that mining is an integral part of our national economy for generations to come and, I would suggest, indefinitely. We need those jobs. We need the economic benefits for the communities involved. I am very pleased to be able to say a few words and encourage my colleagues in this House and all Canadians to be supportive of the mining industry in this country.

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, I am pleased to rise today to add my support to the motion put before this House by the hon. member for Timiskaming—French River.

The major topic we are addressing today is the importance of the mine manufacturing industry in our nation. Like my other colleagues, I feel it is necessary to point out the importance of the mining industry to the Canadian economy.

I suspect that a number of hon. members in the House, particularly those from urban areas, do not realize the impact that the mining industry has on our economy. The facts clearly show that the industry is a key component of the national economy.

In 1993 mining products represented 15 per cent of Canada's total exports which resulted in a $10 million trade surplus. This industry contributes approximately 4 per cent to the gross domestic product of the nation. In addition it may surprise many members of the House that 60 per cent of all Canada's rail and sea freight is directly related to the mining industry. While these economic statistics are very impressive, it is also important to look at the central role this industry plays in the lives of individual Canadians.

The industry directly supports approximately 100,000 high paying skilled jobs in mines across Canada. The future of about 150 Canadian communities is dependent on the success of their local mines. These single industry cities and towns are reliant on the continued development of the mining industry to ensure their very existence. Hundreds of thousands of Canadians live in these communities. They are keenly aware of the importance of preserving our mining industry.

Having stated the importance of mining to so many communities in the country, it may interest those present today that there are no mines operating in my riding of Nipissing. Northern Ontario is rich in mineral deposits. However my riding does rely on an abundance of subsidiary industries. There are no ore deposits and that is why I am speaking in favour of the motion designed to assist the expansion of the mining industry.

The answer is that the manufacturing spinoffs from other mines in the region are a driving force to the riding of Nipissing. Those familiar with the industry may recognize some of the major manufacturing exploration companies in my riding, such as Boart Longyear, Warren Equipment Ltd., JKS Boyles Ltd., and J. S. Redpath Ltd. These companies are all located within the city of North Bay and employ a large portion of the local workforce. However the importance of the continued success of the mining industry extends beyond these big players.

The database of the Mining Association of Canada lists no less than 25 companies within the city of North Bay that manufacture or supply products related to mining. These products range from diesel electric locomotives to specialized spare parts, to core drilling and drill bit supplies.

The point I am trying to make is that there does not need to be a mine in one's community to benefit from the mining industry. I suspect that virtually every member of this House has a company within their constituency that directly or indirectly has business within this industry. In Ontario specifically, the 1994 study of Ernst & Young found that about 72,500 people are employed by direct or spinoff jobs resulting from mining.

• (1155)

I believe the facts which I have presented illustrate the importance of the mining industry to Canada. It has become necessary to act to protect this crucial industry.

As others have stated, the mining industry has suffered serious setbacks in recent years. Low mineral prices and a worldwide recession caused job loss and restructuring within the industry. To stay productive, many engineering manufacturers and exploration companies expanded their operations to foreign markets. The initial pain which resulted from the changes has been offset by the benefits of exporting to new markets. Nonetheless, these companies cannot survive on exports alone.

The key market for most of these companies is and will continue to be the domestic market. Canadian mines are the primary buyer of Canadian mine manufacturing products. This is due to the natural advantage of proximity and the fact that many of these Canadian products are technically superior.

This design and engineering superiority is the result of years of research and development which occurred during more prosperous times. In order to maintain the advantage especially in cutting edge technology, we must ensure the future viability of the Canadian ore reserves.

The motion and the recommendation suggested here today by the hon. member for Timiskaming—French River addresses many of the issues needed to revitalize the Canadian mining industry. Foreign mines are not necessarily prospering because they have larger or better ore reserves. They are prospering because the

investment climate in those countries is such that the mines can be developed and exploited with a higher expectation of profit.

Many foreign governments have acted to attract investment dollars through tax breaks and incentives. In Canada one of the chief disincentives to investing in mining is the high non-profit taxes and other charges which artificially increase the cost of doing business here. This has hindered our ability to attract new investors while at the same time companies operating here have had to make cuts to other areas in order to ensure their profitability.

One of the key areas that has suffered is exploration. This is a grave tragedy because without exploration there will be fewer discoveries of ore deposits and therefore fewer new mines. If this continues, the mining industry in Canada will die a slow and painful death along with most of the associated manufacturing industries.

The motion before the House today asks us to consider making changes to the investment climate as it relates to the mining industry, particularly in the area of mine exploration. What is proposed is not radical. It calls for the implementation of the majority of the recommendations put forward by the natural resources committee of the House.

In truth, by encouraging the exploration for and the development of mines the government will be creating jobs and stimulating the economy which can only serve to increase revenues. Most important, by encouraging exploration we will be increasing the probability of finding new ore deposits. These undiscovered resources represent the future of the Canadian mining industry. They will be the mines of the next century.

If we do not prepare the way for its future then I fear our mining industry will falter. If the mines fail then I expect the small and medium size companies manufacturing and supplying mining materials will not survive. These are the companies which support the local economy in my riding of Nipissing and it is for this reason that I speak in favour of the motion today.

We as parliamentarians must act to ensure the future viability of the mining industry in Canada. Motion No. 292 represents an effort to address the fundamental problems facing the industry today. If we make it more attractive for investors to bring their money here or to keep it here, then we will be assured that the process of the exploration and development of mineral resources will become healthy once again.

Canada is a world leader in mining and mining technology, but this position has been challenged in the last decade. I am supporting the motion today because I believe it represents one of the steps we need to take to recapture a position we have rightfully earned.

• (1200)

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, as chairman of the northern Ontario caucus I am very pleased to have the opportunity to speak on Motion No. 292 put forward by my colleague from Timiskaming—French River.

Mining in northern Ontario is of historical significance. It has provided significant economic growth in northern Ontario and is the source of a significant number of jobs. It is a very important industry in northern Ontario. The motion talks to the need and the logic of government continuing to support the industry.

Canada's mining industry is the third largest in the world. It employs over 330,000 people and adds over $20 billion to the Canadian economy. The Canadian shield which covers northern Ontario is one of the richest ore bodies in the world. We produce over 60 different commodities. We have almost 500 mines and quarries. Unlike many other industries, when jobs are created in the mining industry there is a spinoff effect of almost 6:1 as compared to several others where it is 2:1 or 3:1.

However, mining is different from many of our resource based industries. It is not a renewable resource. One thing that is known when a mine is open is that eventually it will close. That is why it is absolutely essential that we search out, seek and explore for new supplies.

Canada is fortunate to have the reserves. We can continue to mine far into the future but we need to take action. We need to provide the incentives that will enable our companies to go out there to search out these areas of new supplies. Government should and will create a climate in which the private sector will be able to do so. Government needs to invest in exploration and in development.

There are three broad areas in which we should be doing this. First, I mention creating an environment that allows the industry to prosper; second, creating a tax regime that is conducive to exploration; and, third, providing technological and other assistance to the industry.

In respect of the environment, creating the budgetary climate in which business and industry as a whole can prosper is important. Our budget of last February brought in government expenditure controls and brought in a firm plan to reduce the deficit. It will help not only the mining industry but all industries in Canada.

Trade must be encouraged and international barriers must be decreased and relaxed. The Ministry of Natural Resources program to encourage trade by going to Europe and Asia and explaining to the world what is available in Canada is an important initiative. We have to go out there to create an environment by co-ordinating environmental assessments between the federal government and the provinces and to provide certainty to companies so that they

know how long and exactly what is going to be necessary to develop a particular find.

We need to create a tax regime in the country that is competitive with the world so that when a company is deciding to invest in exploration it will choose Canada because it receives treatment that is equivalent or similar to that in the rest of the world. I am referring to things like accelerated depreciation, research and development tax credits on technical research, and moderate source deductions. We need to do something about source deductions such as our reduction in the UI premium. We need a competitive tax regime on profits. As was mentioned earlier by one of my colleagues, contributions to mine reclamation were made tax deductible in 1994. We need to look at the income earned within those funds being tax deductible.

We need to help the industry in terms of technology and other areas. Seeing as we are coming to a close of private members' hour, let me conclude by saying that we need to support the mining industry. It is a large employer and important source of international trade. For many areas of rural Canada, including northern Ontario, it is the backbone of our economies.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

• (1205)

Orders of the day.

Mr. Gray: Mr. Speaker, I move—

The Acting Speaker (Mr. Kilger): Order, please. In terms of process I am calling for orders of the day. The table officer will indicate what those orders are and then I will deal with the matter of recognizing the government House leader.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed from May 31 consideration of Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, as reported (with amendments) from the committee; and of Motions Nos. 20, 21, 22, 75, 76, 77 and 78.

TIME ALLOCATION MOTION

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I move:

That, in relation to Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, not more than one further sitting day shall be allotted to the consideration of the report stage of the bill and one sitting day shall be allotted to the third reading stage of the said bill and 15 minutes before the expiry of the time provided for government business on the day allotted to the consideration of the report stage and on the day allotted to the third reading stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and in turn every question necessary for the disposal of the stage of the bill then under consideration shall be put forthwith and successively without further debate or amendment.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 228*)

YEAS

Members

Alcock	Anderson
Assadourian	Axworthy (Winnipeg South Centre)
Barnes	Bellemare
Bertrand	Bevilacqua
Blondin-Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bélair	Bélanger
Calder	Campbell
Catterall	Chan
Clancy	Cohen
Collins	Cowling
Crawford	DeVillers
Dhaliwal	Dingwall
Dromisky	Duhamel
Dupuy	Easter
English	Fewchuk
Finestone	Finlay
Fontana	Gallaway
Gerrard	Godfrey
Goodale	Gray (Windsor West)
Guarnieri	Harb
Harvard	Hickey
Hopkins	Iftody
Irwin	Jackson
Jordan	Keyes
Knutson	Kraft Sloan
Lastewka	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Manley	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	Mifflin
Milliken	Minna
Mitchell	Murphy
Murray	O'Brien
O'Reilly	Pagtakhan

Parrish
Peters
Phinney
Pillitteri
Regan
Ringuette-Maltais
Rompkey
Serré
St. Denis
Stewart (Brant)
Telegdi
Torsney
Valeri
Walker
Wood—105

Peric
Peterson
Pickard (Essex—Kent)
Reed
Richardson
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Steckle
Szabo
Thalheimer
Ur
Vanclief
Wappel

NAYS

Members

Abbott
Allmand
Brown (Calgary Southeast)
Crête
Duceppe
Frazer
Gauthier (Roberval)
Gouk
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Landry
Lavigne (Beauharnois—Salaberry)
Marchand
McLaughlin
Mills (Red Deer)
Nunez
Ringma
Sauvageau
Silye
Speaker
Thompson
Tremblay (Rosemont)
White (Fraser Valley West)

Ablonczy
Bridgman
Chrétien (Frontenac)
Deshaies
Fillion
Gagnon (Québec)
Gilmour
Guimond
Harper (Calgary West)
Harris
Hermanson
Jacob
Kerpan
Langlois
Loubier
Martin (Esquimalt—Juan de Fuca)
Meredith
Morrison
Ramsay
Rocheleau
Schmidt
Solberg
St-Laurent
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)—52

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

• (1245)

[*Translation*]

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Motion agreed to.)

MOTIONS IN AMENDMENT

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the problem, with Bill C-76, is in the section dealing with transfer payments—

The Acting Speaker (Mr. Kilger): Order. I would like to check something with the officers at the Table, and I will get back to the hon. member for Saint-Hyacinthe—Bagot.

The debate is on Motion No. 3 at the moment. I understand that the hon. member has already participated in the debate on this motion. He cannot therefore speak again on Motion No. 3.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure to speak on Bill C-76 and on the motions in group No. 3.

One of the biggest threats we have to all aspects of society is the budget brought down last February. Nothing else will have a greater effect on social programs, health care, education, RCMP and in the House than the budget. Decades of irresponsible overspending by Liberals and Conservatives alike have put the things we cherish in grave danger.

Briefly summarizing the situation, we now find ourselves federally with a debt of $570 billion and provincially with a debt of some $240 billion.

We proposed a long time ago, before the budget came down, that we would have a balanced budget and we shared with the government our views on how to do that. Unfortunately the government did not heed us. What we will see in three years' time with the budget proposed by the government is a debt which will be $100 billion greater than what it is now and an interest payment which will go from $40 billion to $50 billion per year.

The money we have to spend on the programs I mentioned will decrease from $120 billion to $102 billion. How will the government fulfil its responsibilities to the Canadian public? Those are responsibilities on which Canadians rely. The reality is that the government simply cannot do it.

We must prioritise our spending. We must define that which is most valuable to the Canadian people by listening to them to discover what they value the most. We must have the courage to cut where cuts are required. The cuts must be fair and be sensitive. They must ensure the people who cannot take care of themselves will be taken care of. The programs which are to be preserved, those meant to take care of individuals in need, will be compro-

mised. Those individuals who are least able to take care of themselves will bear the brunt of the budget.

We introduced a plan which would reduce our deficit to zero in three years. Our plan would also attack the real ogre in the equation, our debt.

Two areas I will focus on are health care and aboriginal affairs. The government claimed it was actually cutting spending but the reality is it took $6 billion out of its $11 billion in cuts from transfer payments to the provinces. That will compromise two areas integral to our society, health care and education.

The government is saying it will take money away from the provinces but that they must provide the same services which they did before and in a timely fashion. The government also said to the provinces that because of the Canada Health Act they could not raise the funds themselves. It would hamstring them. Therefore, the provinces are now forced and have been forced for some time to ration health care.

• (1255)

Tragically what we saw this past weekend was the manifestation of rationing in health care. At the Ottawa Heart Institute 25 people died while awaiting surgery. These were 25 deaths that need not have happened if there had been enough money to pay for them. That is what is happening. Ironic in this is that the head of the heart institute is Senator Keon. He substantiated this claim by saying part of the problem is there is not enough money to pay for what we ask for in health care.

We must understand this is one example of many. In British Columbia one can wait 13 months even if in severe pain to get a new hip. I ask members to put themselves in the shoes of an elderly person in severe pain needing to get a hip replacement but could not. What a tragedy to endure those months of pain.

Prince George wanted to ensure a safe and effective blood transfusion system and so patients were given the option of getting their own blood by withdrawing it before surgery and then having it put back in during surgery. It would cost $150 per unit. The government refused to pay for it, which was fine because the patients were prepared to pay for it. It was a much safer way of providing blood transfusions. Within one month the provincial government said no to this because it goes against the Canada Health Act. The government will forbid Canadians from receiving their own blood, blood that would be free of HIV, hepatitis B and other disorders. The hospital now has to pay $500 a unit in order to get blood for transfusions. What a waste.

We need to amend the Canada Health Act. Let us get a new Canada Health Act, one made in Canada, one unlike that in the United States and unlike that in the United Kingdom. We must define essential services and ensure those services are covered for every Canadian regardless of income. The rest can be done through private insurance and such.

We should allow the provinces to raise their own money and allow private clinics to occur, assuming essential services will be covered. This is not a threat to public health care at all because it would enable individuals to pay for health care where they need it. Some individuals would go off the public system into the private system which would provide more money on a per capita basis for people in the public. This would enable them to get health access particularly for essential services in a timely fashion. What is happening now is the Canadian public is not getting it done in a timely fashion.

The next thing I will look at is the Department of Indian affairs and the sad state of affairs among some of the aboriginal peoples. I need not talk about the litany of problems they are having right now. I ask each member to visit a few reserves and see for themselves the tragedy many aboriginal people are facing today within their society. Even though we are cutting money from many segments of our budget, one area that is increasing and will increase by 12 per cent over the next three years, about $600 million, is the department of Indian affairs.

Despite a decrease in the civil service we found the Indian industry of lawyers, negotiators and advisers is actually increasing. This increase in growth rate is the largest Ottawa dependent industry we have right now. Is this valid?

We are trying to redress the tragedy we see in many social circles on native reserves; substance abuse, unemployment, general malaise and sexual abuse are rampant. This needs to be rectified immediately. However, it will not be solved by pouring money into the system as we have done before and continue to do. This does a terrible disservice.

The aboriginal leadership cries for more land. However, will this really help the aboriginal people? I think not. Claims have been put forward, such as Nishga claim, in the amount of over $400 million. The government has to pay for this and it amounts to $97,000 per person. Is this really going to help native people on reserves who will not receive any help? I think not.

• (1300)

We are trying to help the native people to help themselves. I maintain that our current programs will not do this. We must, therefore, go back to first principles, the basics of human need, the basics of human condition.

Natives and non-natives alike need to have a sense of purpose, a sense of destiny and of control. With our current policies we have created an institutionalized welfare state of internalized dependency. People ask not what they can do for themselves but what we can

do for them. There is a terrible malaise of the soul which current spending practices will not rectify.

I propose taking a new look at the situation. In order to do this, people must have a sense of self-respect and destiny. People have to be provided with the skills to take care of themselves, provided with employment. This is the only way they will be able to take care of themselves in the future.

External assistance is not a substitute for the fundamental need for people to provide for themselves and make valuable contributions to society.

In closing, I would strongly urge the government to invest in policies that will enable native people to take care of themselves in a sustainable way in the future. Land claims are not the answer.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, most members have have had an opportunity to speak to the motions in group No. 3.

I would like to refer to the motions presented by the opposition members and to put on record the government's response to them and why we are not voting in support of them.

Motions Nos. 20, 21, and 22, as proposed by the member for Kamloops and I believe supported by the NDP, propose that the WGTA would remain in force. The government is committed to changing the WGTA because it feels that after years of discussions on the prairies, the time has come to transform the grain handling system in western Canada. Liberals are very confident that the way the Minister of Agriculture and Agri-Food, the Minister of Transport and the Minister of Finance have developed this legislation is correct, that the proper consultations have taken place and now the country is ready to proceed.

Motions Nos. 75 and 76 are proposed by the member for Lethbridge. Motion No. 75 would reverse the government amendment adopted by the Standing Committee on Finance on May 18 of this year. The purpose of the government's amendment is to ensure that an equitable arrangement with respect to the transition payment is made by a landowner and his tenant. Many farm groups have specifically requested that the government make the amendment to the WGTA in the legislation known as Bill C-76.

Motion No. 76, also proposed by the member for Lethbridge, would reverse the government's amendment adopted by the Standing Committee on Finance on May 18 of this year. The purpose of the government amendment is to ensure that an equitable arrangement with respect to the transition payment is made by a landowner and his tenant as requested by many farm groups. The government's amendment to subsection 4(4)(c) is to provide for the tax treatment to be given to that portion of a transition payment made by an owner to his tenant.

The government in amending the WGTA to provide that an equitable arrangement is reached between an owner and his tenant is being responsive to the concerns expressed by many producers.

Motion No. 77, also proposed by the member for Lethbridge on behalf of his party, proposes that subsection 6(c) be deleted. That section allows the minister of agriculture to make regulations prescribing conditions that must be met by an applicant in order for him to receive a transition payment, including the condition that an equitable arrangement be reached between the applicant and tenant. This would reverse the government amendment adopted by the Standing Committee on Finance on May 18. The purpose of the amendment is to ensure an equitable arrangement with respect to the transition payment is made by a landowner and his tenant as requested by many farm groups.

• (1305)

Finally, in this group of motions, the finance critic for the official opposition has not proposed that clause 26 of Bill C-76 be deleted. The effect of this motion would be to repeal the Western Grain Transportation Act but no compensation would be payable to owners of the prairie farmland.

This motion would preclude the government from making any payments to owners of land in recognition of loss in land value that may result from the termination of transportation subsidies. A cornerstone of this legislation is to provide compensation.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on Motion No. 20. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): On division?

Some hon. members: On division.

The Acting Speaker (Mr. Kilger): I declare the motion negatived on division. Therefore Motions Nos. 20, 21, 22 and 78 negatived on division.

The vote just taken negatived on division Motion No. 20. The question must now be put on Motion No. 75. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

Some hon. members: On division.

The Acting Speaker (Mr. Kilger): I declare Motion No. 75 negatived on division.

● (1310)

We will now proceed to debating group No. 4, Motions Nos. 23 to 45.

Mr. Boudria: Mr. Speaker, a point of order. I wonder if there would be unanimous consent that Motions Nos. 23 to 45 inclusive be deemed to have been read, so that Mr. Speaker will not have to read or ask for us to dispense on every single one.

The Acting Speaker (Mr. Kilger): The House has heard the recommendation of the chief government whip. Is it agreed?

Some hon. members: Agreed.

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved:

Motion No. 23

That Bill C-76 be amended by deleting Clause 30.

Motion No. 24

That Bill C-76 be amended by deleting Clause 31.

Motion No. 25

That Bill C-76 be amended by deleting Clause 32.

Motion No. 26

That Bill C-76 be amended by deleting Clause 33.

Motion No. 27

That Bill C-76 be amended by deleting Clause 34.

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 28

That Bill C-76, in Clause 35, be amended by replacing lines 31 and 32, on page 18, with the following:

"must exist before any part of a cash contribution may be withheld."

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved:

Motion No. 29

That Bill C-76 be amended by deleting Clause 35.

Motion No. 30

That Bill C-76 be amended by deleting Clause 36.

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 31

That Bill C-76, in Clause 37, be amended by replacing lines 12 to 24, on page 19, with the following:

"the government of the province shall, at the times and in the manner prescribed by the regulations, provide the Minister with such information, of a type prescribed by the regulations, as the Minister may reasonably require for the purposes of this Act."

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved:

Motion No. 32

That Bill C-76 be amended by deleting Clause 37.

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 33

That Bill C-76, in Clause 38, be amended by replacing lines 27 to 36, on page 19, with the following:

"direct that any cash contribution under the Canada Health and Social Transfer to that province for a fiscal year be reduced, in respect of each default, by an amount determined by the Federal Court to be appropriate having regard to the gravity of the default pursuant to an application by the Minister, where the Federal Court determines that a default has occurred."

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved:

Motion No. 34

That Bill C-76 be amended by deleting Clause 38.

Mr. Ray Speaker (Lethbridge, Ref.) moved:

Motion No. 35

That Bill C-76, in Clause 39, be amended by replacing lines 7 to 10, on page 20, with the following:

"for each suceeding fiscal year where the Federal Court determines that the default is continuing."

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved:

Motion No. 36

That Bill C-76 be amended by deleting Clause 39.

Motion No. 37

That Bill C-76 be amended by deleting Clause 40.

Motion No. 38

That Bill C-76 be amended by deleting Clause 41.

Motion No. 39

That Bill C-76 be amended by deleting Clause 42.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved:

Motion No. 40

That Bill C-76, in Clause 43, be amended by replacing lines 1 and 2, on page 21 with the following:

"43. The Department of Foreign Affairs and International Trade Act is amended by adding the following".

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved:

Motion No. 41

That Bill C-76 be amended by deleting Clause 43.

Motion No. 42

That Bill C-76 be amended by deleting Clause 44.

Motion No. 43

That Bill C-76 be amended by deleting Clause 45.

Motion No. 44

That Bill C-76 be amended by deleting Clause 46.

Motion No. 45

That Bill C-76 be amended by deleting Clause 47.

He said: Mr. Speaker, in the budget of February 27 the Minister of Finance proposed cutting over the next two years $7 billion from programs which transferred money to the provinces for health care, post-secondary education and social programs. With respect to social programs it would cut money for both for social services and social assistance. Bill C-76 is the bill which implements those and other budget measures.

My amendments in group No. 4 and those in group No. 5 attempt to stop, attempt to kill, those cuts by deleting all those sections which would implement them. As I said in the earlier budget debate this is no fun for me. It is with no joy that I have to do this, but I feel I have no alternative.

In my view these proposals in the budget are completely contrary to what we said in the red book during the election campaign. They are completely contrary to what we said during nine years in opposition. They are completely contrary to what we did when we were in government under Prime Minister Trudeau and Prime Minister Pearson.

My group four amendments would do three things. First, they would delete clauses 30, 31 and 32 of Bill C-76, which clauses would cut payments under the Canada assistance plan as of April 1, 1996. These payments would terminate the Canada assistance plan by the year 2000.

The Canada assistance plan is that federal law by which social services and social assistance are financed in the provinces. By that law shelters for abused women and children, day care centres, foster homes, care for the aged and different types of social assistance are financed.

• (1315)

Secondly, my amendments in this group would delete clauses 33 to 41 inclusive of Bill C-76. These clauses would set up a new delivery system for reduced health care payments under the Canada Health Act.

Thirdly, my amendments in this group would delete clauses 44 to 47 inclusive, which would set up a new system for reduced payments to the provinces for post-secondary education and health care.

In effect, my amendments if carried would stop the cuts and stop the new delivery system for reduced payments and reduced national standards for social services.

Why am I doing this? I am doing it first of all because social programs in this country are not the cause of the deficit. In a question put to the Minister of Finance approximately two weeks before the budget in February, a member of this House asked him whether social programs were the cause of the deficit. The Minister of Finance said no. As a matter of fact he said that social programs were the same percentage of gross domestic product today that they were 20 years ago in 1975. Therefore, if social programs are not the cause of the deficit, why are they being attacked in the bill, whose goal it is to reduce the deficit?

Second, I am opposed to those provisions in the budget and in the budget bill because they would cause severe harm to those in need. They would widen the gap between rich and poor in this country and in my view lead to social unrest and increased crime.

Let me refer to a few recent articles. If members look at the business section of Saturday's Ottawa *Citizen*, June 3, they will see an article entitled "The Widening Gap" in which the former head of the Economic Council of Canada, Judith Maxwell, is warning that even if there is an improvement in the standard of living over the next few years, not everyone will share in it. She went on to say that we can expect increasing polarization in our society.

We can also look at a recent article in the *Citizen* dated April 6, 1995, in which the headline is "500,000 fall into poverty". This is an article on the annual report of the National Council on Welfare, entitled "Poverty Profile", in which they say that nearly half a million more Canadians became poor in 1993, even though the economy was pulling out of the recession.

Then we have the committee of the United Nations, which for the second time in three years is criticizing the Canadian government because the Canadian government is failing to meet its obligations under the International Covenant on Economic, Social and Cultural Rights. In particular, they refer to Bill C-76.

Finally, I would like to refer members of this House to an excellent book that has appeared recently. It is a book by Linda

McQuaig called *Shooting the Hippo*, in which she deals at great length with many of the issues I am discussing today.

I am also opposed to those provisions in the budget because they are contrary to what we promised during the election campaign. I want to read once again what we said in our red book at page 74:

> Since 1984, the Tories have systematically weakened the social support network that took generations to build. Not only have they taken billions of dollars from health care and from programs that support children, seniors, and people who have lost their jobs, but they have set us on the path to becoming a polarized society divided into rich and poor, educated and uneducated, with a shrinking middle class. This is not the kind of country most Canadians want to live in. In a polarized society, crime, violence, intolerance, and group hatred flourish.

That is what we said during the election campaign when we said that we would attack the deficit. I agreed with that, that we would reduce the deficit to 3 per cent of gross domestic product within three years of taking office. However, we said that we would not do it by reducing social programs. We said we would do it by cutting out waste in government, by getting rid of non-productive expenditure, by closing the gaps and holes in the tax system, and by providing for economic growth by providing for jobs so that people would be paying taxes instead of collecting unemployment insurance and social welfare, so that businesses would earn profits and pay taxes instead of going bankrupt. That is what we said during the election campaign.

• (1320)

I am wondering what happened in this country to the doctrine of the living wage. When I was at St. Francis Xavier University in Antigonish during the fifties we studied two great encyclicals of the Catholic Church, Rerum Novarum, which was from the late 19th century, and Quadrogesimo Anno, which came out during the 1930s, which taught the doctrine of a living wage. That doctrine was that everybody who works has the right to a wage to support themselves and their families with basic necessities. With the type of direction in which we are going today, with people working part-time, for minimum wages, with no unions and no support services, we are going completely contrary to that doctrine, which I thought was an excellent doctrine. I have supported it over the years. By the way, it was the philosophy by which I approached these sorts of problems in Parliament. That doctrine seems to have disappeared from the landscape of Canada.

I would like to say a word about affordability. Some people say that we cannot afford these programs today. However, we have an expanding number of consumer goods and services. Does it seem right that we can afford an expanding number of consumer goods and services but we cannot afford post-secondary education, health care, and social services at the level we set them at from the middle 1960s on? Is not the business community caught in a contradiction? They are saying on the one hand that we cannot afford these very important services at the usual level. On the other hand, through advertising they are urging us to buy more and more consumer goods and services. They are urging us to take out loans so we can buy more and more. They are urging us to use our credit cards to the hilt. What can we afford?

Mr. Speaker, I note that you are indicating my time is coming to a close. I simply want to say in conclusion that I regret I have to make these sorts of interventions in the House. However, I cannot contribute to tearing down a system that for my 29 years in the House I helped build up with the Liberal Party, first under Mr. Pearson when he was Prime Minister, then Mr. Trudeau, and when we followed the same philosophy for nine years in opposition. I just cannot do it.

I ask my colleagues to look very carefully at the things we said in opposition and in the red book. I ask that we be honest and fair and follow through on those things.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I think this time it is really my turn and I am much obliged to you for allowing me to speak on the fourth group of motions on Bill C-76.

Bill C-76, as it relates to the Canada social transfer, poses a major problem to Quebec. As the Leader of the Opposition mentioned again at second reading in particular, the problem is enormous. We said so during the finance committee clause by clause study of this bill. We, in Quebec, have a major problem with this bill on social transfers, because the federal government is cutting shamelessly in transfers to the provinces in the areas of social assistance, post-secondary education and health.

It is a disgrace to reduce these transfers on the backs of health care users, the underprivileged who have to rely on welfare or students, who are already among the most vulnerable groups in our society these days; just look at the number of students covered with degrees who are searching for jobs.

Quebec also has a major problem with this bill as it seems to reflect the intention to ultimately impose standards or general guidelines throughout Canada, including Quebec, in the areas of social assistance, health and post-secondary education.

• (1325)

During the debate at second reading, we were a little surprised when the Minister of Finance announced, out of the blue, the amendments which he was going to table to satisfy Quebec and make sure that it does not have the impression of being again the victim of strong arm tactics, like in 1981, because that is what it is.

But this is yet another attempt to isolate Quebec. Indeed, Quebec will never fit into the mould imposed by Canada-wide standards,

particularly in the education sector, which is the cornerstone of Quebecers' identity. Education is the cornerstone of the Quebec culture; it is the instrument which ensures its continuity. Consequently, Quebec will never accept to toe the line, to follow general guiding principles and even promote them, as asked by the other nine provinces and the federal government, in a sector as vital as education.

Let me go back to the Minister of Finance. He said that he was tabling amendments designed to make Bill C-76 acceptable to Quebec, as regards the implementation of Canada-wide standards. This is the last version of the bill, as tabled by the minister. It reads: "The Minister of Human Resources Development shall invite representatives of all the provinces to consult and work together to develop, through mutual consent,"—the expression "mutual consent" is never defined—"a set of shared principles and objectives for the other social programs"—these other social programs are post-secondary education and social assistance—"referred to in paragraph (1)(*d*) that could underlie the Canada Health and Social Transfer".

The first question that comes to mind, as I said while reading the clause, is what do we mean by mutual consent? Does it mean an amendment tabled by the Minister of Finance? If we look back at the recent past, the last 10 to 12 years of relations between Quebec, Canadian provinces and the federal government, we see that things were normally done by mutual consent, and that mutual consent could be, for example, the agreement of the federal government and seven provinces constituting 50 per cent of the population. That is what mutual consent could be, and it could be used to establish national education standards and to force Quebec to make the decision to either get in line and follow the guiding principles or national standards or to have the federal government cut off all funding. This is what it could come down to.

If that is what mutual consent means, to establish a national consensus, this bill settles nothing. On the contrary, the version revised by the Minister of Finance is even worse than the initial version, which said: "maintaining national standards, where appropriate". Now, appropriateness is not even in the picture. They will take the agreements signed by the provinces and the federal government and will impose them across Canada, without even giving Quebec a chance to say its two bits.

I must say that this is quite a sensitive issue for Quebecers, as Quebec has been strong-armed many times before, in particular in 1981, by the Prime Minister of the time who was a main player if not the band leader in the patriation of the constitution against Quebec's will, the person responsible for Quebec's isolation.

The national standards contained in Bill C-76, in the part on the Canada social transfer and research, are another example of the Prime Minister of the day strong-arming Quebec. In the history of relations between Quebec and Canada, the Prime Minister has always specialized in strong-arm tactics against Quebec. It is not surprising to see a bill like this one introduced by a Minister of Finance whose boss is the present Prime Minister and a former lieutenant of Pierre Elliott Trudeau.

And it comes as no surprise to see another instance of strong arm tactics as the government tries to shove national standards down Quebec's throat, in a sector as crucial as education, when we know that the present Prime Minister led the second attempt to strong arm Quebec which led to the demise of Meech Lake in 1990. He was there with his cellular phone in the hallways on Parliament Hill, conferring with the leader of the opposition in Manitoba, Mrs. Carstairs. He was giving her his instructions on the Meech Lake Accord.

He instructed her to isolate Quebec, to make Quebecers feel they were left out. This comes as no surprise.

• (1330)

We are not surprised but we are amazed that this government is so blatant in its approach. It makes no bones about it. They seem to think there is nothing wrong with calling this flexible federalism: giving the provinces full jurisdiction over areas which belong under their jurisdiction in any case. We are not surprised to see this third instance of strong arming in ten years, but we are surprised to see the government drop any pretence at diplomacy and do this openly, putting everything on the table and saying that if Quebec does not like it, its funding will be cut. That means up to $7 billion could be cut annually, the equivalent of federal transfer payments for the three items I mentioned before.

Whether the government likes it or not, during clause by clause consideration of the bill in the Standing Committee on Finance, there were various representations. I would say that 90 per cent of those from the provinces, with the exception of Quebec, asked for national standards. However, all representations from Quebec, without exception, objected to setting national standards, especially in the ultra sensitive education sector.

Whether people like it or not, whether it was rejected or not in 1990, there is a distinct society in Quebec, and a distinct nation. And this people will never allow English Canada to decide what should constitute the objectives of a pillar of Quebec's cultural future. Never will Quebec permit this sort of policy to be imposed on the province on the pretext of establishing a coast to coast standard in Canada.

Never will we allow Bill C-76 to make Quebec toe the line, as the present Prime Minister has tried to do since 1980, by promising us all sorts of reforms following a "no" vote on Quebec sovereignty, but by doing the opposite. That is, he has worked to Quebec's

disadvantage over the 15 years that followed. We will never agree to Bill C-76 in its present form.

We will never allow the Canada social transfer, which the federal government has already cut by $2.5 billion, to be applied uniformly and despite Quebec's refusal to such sensitive sectors as education. We will never permit the present Prime Minister to continue his dirty deeds against Quebec, which began following the referendum in 1980, continued in 1981 with the patriation of the Canadian constitution, despite the wishes of the National Assembly, and carried on in 1990 in his work against the Meech Lake accord, which did not recognize Quebecers as a distinct people, but simply allowed us the strict minimum, a minor distinction as regards the distinct society.

We will fight the provisions of Bill C-76 with our last ounce of energy, as the purpose of this bill is to isolate Quebec as the Prime Minister has done since his arrival in politics.

[*English*]

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I listened very carefully to the hon. government member who spoke before the last member. I would like to commend this gentleman for his honesty in addressing squarely the fact that these new provisions under Bill C-76 for transfer of money from the federal government to the provinces to help pay for and support social programs are in total contradiction to the position taken and the promises made in the Liberal red book during the election. The member is to be commended for urging the government to show some integrity in the way it carries out the promises it made to Canadians.

The government knew or ought to have known that this country was in some financial difficulty. It should have been honest with the Canadian people during the election, as other parties were, and forthrightly suggested to them that changes would be made. However, it did not. In spite of that, changes were made by the government to funding for social programs, among them under Bill C-76.

• (1335)

The unfortunate thing is that these changes were not made in a planned and managed way. They were not made in a way that would allow the provinces to properly and sensibly deal with the changes, the funding drops and the different rules the federal government unilaterally decided to play by and imposed on the provinces in Bill C-76.

This is causing a great deal of difficulty for the provinces, which are responsible for delivering these services to Canadians, and thereby to Canadians themselves. The difficulties of poor government leadership and planning really go right down to the bottom line which is where people are or are not being served.

With respect to the funding for the Canada assistance plan or welfare, the money for CAP is presently based on a per capita formula. The money which the federal government provides to the provinces for welfare payments is based upon the welfare rates and population of each province. The more money the province spends on welfare because of its rates or caseload, the more money is transferred.

What Bill C-76 does is to provide a new formula. There are at least two things wrong with the formula, maybe more. The first is that it was imposed without any consultation with the provinces. This is rather shocking when we think about the fact that people's lives are involved in this about which Liberal members always say they are so concerned. They are so concerned about compassion, fairness, equity and all of those good things yet without the slightest consultation with the people who are going to be affected, these kinds of changes are made. The provinces are rightly upset and unhappy that they were not consulted and had very little chance to prepare or have a say in what was going to happen to them.

The second problem with these changes is that the formula imposed provides a formula for transferring money only up until the 1996-97 fiscal year. After that there is no formula and no plan at all. That is a real difficulty. How are the provinces and the people dependent upon services supposed to plan for the future or have any sensible long term goals and strategies when the funding which is always the underpinning of a program has been so cavalierly dealt with?

On asking the department, as I did, what its long term projections were, its five-year or 10-year projections for the programs based on the changes it has made in Bill C-76 that we are debating here today, the department said it did not have any. This is an absolutely shocking admission from a department which is supposed to be running some of the most important programs in our country. There are people who genuinely need these services.

The provinces are struggling with their own debt, their own fiscal situation and with the bigger picture of the economy, which was caused by the debt and deficit situation of our federal government. Some people think Reformers tirelessly mention that but it is so critical. How are these entities supposed to deal with the responsibilities they have given this situation when there are these sudden unexpected and unexplained moves made on the provinces without consultation?

We have some real difficulty. Some of the most troubling things to the provinces and to Canadians are provisions in Bill C-76 which allow the federal government to make a unilateral imposition of standards and rules for the use of these funds. The words in the section are that there will be a mutual agreement about how the standards are imposed. Again, according to the department when questioned it had to admit that mutual agreement is not defined. Does it mean the federal government in one province? Does it mean the federal government in two provinces? Does it mean the

federal government in seven of the 10 provinces with 50 per cent of the population? We do not know. It is not defined at all.

• (1340)

The federal government is diminishing its support for these programs but has the gall to say it is going to say how the money will be spent. It is going to call the shots. It is going to call the tune even though it is not paying the piper. This is a recipe for disaster.

The provincial governments very rightly one of these days and probably sooner than later are going to tell the federal government to go take a hike, as they are already doing on health care. How can the federal government impose its own will on the provinces, especially when it very obviously is so poorly thought out and poorly managed when it is diminishing greatly the support it is giving the provinces for these programs?

We have a federal government that wants to decide everything but other people are going to pay for it. Not only that, other people are going to pay for it in an atmosphere under a regime that keeps changing unilaterally. This simply is not workable for our social programs and for the support that this country's needy, who truly are needy and need the support under the welfare program, are wanting to retain.

When we look at Bill C-76 and the changes in the payments made under it, especially to the whole area of CAP funding we need to look at the fact that there should be some real consultation with the provinces, some mutual agreement. This is supposed to be a co-operative federalism. Instead, we have a very haughty, a very arrogant, a very single minded national government changing the rules in the middle of the game. It is changing them in the short term without any long term plan. It even admits that and then expects the provinces to continue to deliver services on standards that the federal government insists upon and sets.

What happens if the provinces do not fall into line? Under this bill, any payment the federal government might be making to the provinces can be interfered with. This is simply financial blackmail. There is no other word for it. There are many payments the federal government makes to the provinces under a variety of agreements. Yet the federal government says it can and will abrogate any and all of those agreements if the provinces do not toe the line the way the federal government thinks they should on a number of service delivery issues such as CAP.

I would suggest to the Liberal government that this is no way to run a country. It is certainly no way to run a country where many levels of government, particularly the two main ones, are responsible for the well-being of citizens and for providing services and spending the citizens' money in a way that best benefits everyone.

When a federal government is so arrogant it actually stands and says that things must be done its way or any dollars it might have promised are at risk, what kind of management style is that? How is that going to get co-operation? How is that going to get interaction among levels of government that really will benefit all the citizens?

We very strongly condemn the way this has been done. We acknowledge and Canadians realize there have to be changes to the structure of funding programs. However, this kind of change and the way in which it has been done is totally unacceptable and totally against the best interests of our country.

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, I am proud to second the motion of the hon. member for Notre-Dame-de-Grâce. It is true that the clauses in Bill C-76 which the member is proposing we delete, and I am in agreement with that, represent a fundamental restructuring of the social and health system of Canada.

• (1345)

It certainly makes a mockery of the review done by the human resources minister in which many people participated thinking that they could have real input. It certainly makes a mockery of the national health forum that was supposedly established to set out more clearly a national system of health.

Most concerning about the clauses that are proposed to be deleted is that they change Canada in a very profound way. While social and health programs are of foremost importance to citizens of the country in their daily lives, there are important economic programs that provide a social infrastructure absolutely essential to the competitiveness of the country.

It is shocking the Liberals have joined with the Bloc and Reform parties to dismantle national programs. Rather than saying up front that they are prepared to dismantle the programs, the Liberals are prepared to do it as one article recently stated: "by erosion through stealth, by the death of a thousand cuts".

Even today the government has brought in limited debating time for an extremely serious issue. It suggests that not only are the Liberals not keeping their promises in the red book but they do not want it brought before Canadians who will look at it more carefully and see the real implications. The shift has come without a full public debate. That is why it is so important to have a full debate in the House.

On other issues, whether the use of drugs in sports or medicare, we had independent commissions. This is one proposal I have made because of the long term impact of the clauses we are now

asking to be deleted. They should be deleted until there has been further in depth study of the long term social and economic implications to the country.

The Liberal government is sending a clear message to Canadians that it is willing to abandon its responsibility to promote economic and social equality. Canadians should be reminded once again that the Liberal Party won the last election on its promise to make job creation the number one priority of the federal government. Instead Bill C-76, a financial bill, kicks the legs out from under some of the supports that have softened recessions in the past and would do so in the future.

At a time when child poverty is at the highest rate we have had in history, when the United Nations is criticizing us for our lamentable record on poverty issues and when many young people are giving up hope, the government has all but abandoned the promises that brought it here.

Does the government have a national vision in terms of these important programs. We can only judge by its actions. When Canadians look at the clauses in Bill C-76, they will wonder about a government whose only goal seems to be to complete the downward spiral of social programs and encourage the lowering of wages and benefits for Canadian workers everywhere.

The $7 billion cut to federal transfers for post-secondary education, health care and social assistance will have a profound effect in further creating the haves and have not provinces and territories. The Canadian Hospital Association and the Canadian Medical Association have expressed their concerns about specific clauses of the bill. They are experts in the field who know what the effect will be on health care should the clauses pass.

The bill is not about making a small change to social and health programs. It is about dismantling them. The block funding arrangement means that funding from the federal government will not be tied to specific programs. It suggests that the government no longer embodies a national vision of the programs. That is why I say the motion must be supported. There must be much more study and much more understanding by Canadians about very important decisions on the future of health care and social programs.

• (1350)

My colleague from the Bloc Quebecois says that national standards are terrible. They have guaranteed, particularly under the Canada Health Act, some equity from sea to sea to sea. There is no guarantee it will continue. There is no guarantee at all. As the funding is not just reduced but no longer available from the federal government, the federal government will no longer have a say in implementation in the provinces and territories.

Under Bill C-76 the cash transfers to the provinces and territories will run out within the next decade. Without the power of enforcement the federal government will not be able to maintain medicare as a public not for profit system.

Even Liberal members of the finance committee who studied the bill opposed the plan, because it is a betrayal of everything the country has stood for. We are in a mad rush to the bottom. I am afraid we have not seen the end of it from the government.

The Prime Minister is on record as saying that we need to get our health care spending down and that maybe the Canada social transfer is one of the ways he will do it.

Let us look at the facts. We are spending about 10 per cent of GDP on health care. The Prime Minister says that is too much. The major increases in health care costs continue to come from increasing drug costs and private health insurance for extended health coverage. We spend only about 6.8 per cent of GDP on public insurance.

The Liberal government can do something to reduce health expenditures. It can rescind and repeal Bill C-91 that provided patent protection for multinational drug companies and dramatically increased drug costs and the costs to every health plan in every province and every territory.

The United States spends far more on health care than we do. It is precisely because it has a private system that is out of control. If one charts the statistics one can see that until the late 1960s when Canada introduced its public system health care costs were rising at about the same rate in the United States and in Canada. We spent about the same proportion of GDP on health. However when our public system was introduced we began to save money. The growth rate in the United States has continued to skyrocket where ours has levelled off. Now the United States looks to us for solutions.

The government promised that it would not withdraw from or abandon the health care field but the bill breaks the promise. The government is abandoning every Canadian who trusted the government. It is abandoning poor Canadians and the unemployed. It is abandoning the ill.

I despair for the country when the government has turned its back on the people. I strongly oppose Bill C-76. I strongly support the motion of the hon. member for Notre-Dame-de-Grâce. I urge and indeed plead with the government to delete the clauses so there may be further discussion, public debate and open debate on the serious and fundamental restructuring of the social and health care plans.

Should the government choose to do so, it would have praise from many parts of the country. This is the opportunity for government members to vote for the motion to delete the clauses

and allow time for Canadians, not just the Liberal Party, to have a say about the future of health care and social programs.

I urge all colleagues in the House of Commons to support the motion to delete the clauses.

[*Translation*]

The Speaker: The hon. member for Bourassa has two or three minutes before we go to members' statements.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I rise today to take part in the debate at report stage of Bill C-76, an Act to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

• (1355)

I oppose this bill, which maintains national standards in the health field and provides for the introduction of new national standards with respect to social assistance and post-secondary education. These measures fly in the face of the provinces' autonomy and jurisdiction. If the provinces did not comply with these national standards, the federal government would impose sanctions by cutting transfer payments, having already cut benefits to the unemployed and those receiving social assistance and planning to target seniors next.

This bill will affect the education sector, a sector of exclusive provincial jurisdiction and one that is vital to Quebec's cultural identity. These Canada-wide standards will reflect the interests of the majority of English speaking provinces, not the reality of the special situation in Quebec, which is a distinct society.

In my opinion, this bill has two fundamental objectives: first, to steam roller over the legitimate claims of the government of Quebec in its own areas of jurisdiction; and second, to introduce unprecedented cuts in provincial transfer payments and, consequently, in social programs.

The first federal budget in 1994 began by offloading $5.5 billion in cuts onto the backs of the unemployed and $2 billion in cuts onto the backs of welfare recipients and the education system for the period from 1994 to 1997. The February 1995 budget announced additional cuts of $7 billion in transfer payments for social assistance, education and health, and another $700 million in cuts to unemployment insurance. Is this is the much touted flexible federalism of the Liberals?

In addition, the Minister of Finance announced in his last budget that the government will review the old age pension plan. Seniors, including the 15 per cent of the population in my riding of Bourassa who are aged 65 or over, can now expect to see their cheques further eroded. I hope that seniors will again rise up and protest, as they did under the Mulroney government, against the deterioration in their living conditions, particularly with respect to pensions.

The Speaker: My dear colleague, as it is almost 2 p.m., you will complete your remarks after Question Period.

It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*English*]

ENVIRONMENT WEEK

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, on the occasion of Environment Week 1995, I extend an invitation to hon. members and to all Canadians to do more and to find more ways to protect and preserve our country's environment.

As a result of numerous activities and exhibitions being held nationwide, Canadians will have an opportunity to familiarize themselves with healthy environmental practices. I encourage all Canadians to take part in the activities.

We can do a great deal. We could build a composter, join an environmental organization, install water saving devices at home, car pool or use public transport.

[*Translation*]

In the spirit of Environment Week, let us keep in mind that preservation of the environment is an ongoing commitment. The initiatives taken are important not only this week but throughout the year.

* * *

FRANCOPHONE AND ACADIAN COMMUNITIES

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, francophone minorities outside Quebec still face multiple frustrations ranging from the violation of their education rights to the lack of adequate government services in French at both the provincial and federal levels. Yet, instead of helping Acadian and other francophone communities, the Liberals prefer to lend a hand to their gravediggers.

This weekend, the leader of the Liberal Party in Ontario confirmed her opposition to any plan to establish a French language university in Ontario. Mrs. McLeod did not hesitate to violate the constitutional rights of francophones in her province by delaying the creation of a French school board. At the same time, the Government of the Northwest Territories is following in the footsteps of the Ontario Liberals by refusing to recognize the education rights of the French speaking minority in its new education law. In the meantime, the federal Liberals are greeting this infringement of francophones' rights with silence.

S. O. 31

[*English*]

HUMAN RIGHTS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, when the Liberals were in opposition they roundly castigated the Conservative government for not speaking out against human rights abuses in China. In their red book of broken promises they said: "We will continue to support democracy and respect for human rights worldwide". Yet in government the Liberals have done an about face.

The sixth anniversary of the Tiananmen Square massacre passed yesterday without a whimper from this government. Yet the people of China are still under the boot of a repressive regime. Human rights abuses abound and democratic principles are squashed.

In the face of this the government has said: "Give us your money and we will turn a blind eye", saying that trade should take precedence regardless of a country's poor human rights record. In the same vein, Canada is one of the world's leading suppliers of arms to the third world.

In the red book it said: "Canada will help develop greater international and intercultural collaboration in the interests of peace, justice and humankind". Sadly, the red book promise has shown once again that it is a book of hypocrisy.

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TRANSPORTATION

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, it is appropriate that the inauguration of this year's National Transportation Week took place in St. John's, Newfoundland, the first time the kick-off has ever been held in our province. It gave us the opportunity to focus on our important local and provincial transportation issues.

The organization committee provided the delegates with a taste of Newfoundland life that included a harbour tour and a seminar at the Marine Institute, St. John's world class marine science research facility.

As islanders, Newfoundlanders understand the value of transportation. We rely on marine transport to take our products to market and bring back to us the goods we need.

The theme of this year's National Transportation Week is "Careers in Transportation: Opportunities, Training, Skills". It is a reminder that the modern national transportation system requires highly skilled and dedicated people. We all have a stake in seeing that the transportation sector continues to attract the best candidates possible. A successful transportation sector will keep the country moving into the next century.

GLENN GILLESPIE

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I am proud to rise today to recognize the outstandingly heroic initiative of Glenn Gillespie of Burlington, Ontario.

On June 2 Glenn began his River of Hope kayak marathon for cancer research. Glenn's journey will take him from Fredericton, along the Gulf of St. Lawrence in New Brunswick, through the St. Lawrence River in Quebec and Ontario, until he reaches Burlington in August.

Years ago Glenn met Terry Fox jogging along the side of the road through New Brunswick during his Marathon of Hope. Glenn ran with Terry Fox and was inspired to take up Terry's challenge to raise funds for cancer research. This chance encounter with a truly remarkable young Canadian inspired Glenn to take up this adventure.

Mr. Speaker, fellow members of Parliament, please join me in saluting Glenn Gillespie of Burlington as he begins travelling along his River of Hope and wish him the best of luck.

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HEALTH CARE

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, a Canadian company that recently brought jobs and investment to Oakville is also bringing sensible cost savings to Canadian hospitals without harming patient care.

In May, Livingston Healthcare Services Inc., an Ontario based health products distributor, opened a new logistics facility in Oakville. This company has introduced to Canadian hospitals a cost saving innovation: just in time delivery. The result is that hospitals no longer need to keep large, expensive inventories.

Mount Sinai Hospital in Toronto has saved over $200,000 in its first year using this system. While the Toronto hospital anticipates savings of over $1 million annually, these savings have no negative impact on patient care and in fact can allow money to be reallocated to improve it. The latest investment and expansion has the potential to benefit all Canadians.

Clearly this is welcome news for Canada's health care system.

* * *

• (1405)

[*Translation*]

PRIVATIZATION OF CANADIAN NATIONAL

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, to make CN more attractive to potential buyers, the

Minister of Transport is about to spend between $600 million and $1 billion in public funds to reduce this corporation's debt.

This squandering of public funds for the benefit of CN's future buyers is unacceptable, especially since the minister has refused to make a commitment to ensure the survival of AMF Technotransport. The minister himself admits that this CN subsidiary, which employs 1,300 people in Pointe-Saint-Charles, a Montreal neighbourhood which is one of the poorest in Canada, faces an uncertain future. The closing of this company would have serious consequences for Montreal and a disastrous impact on the Pointe-Saint-Charles area.

Instead of sweetening the deal for the eventual buyers, the minister should try to help AMF workers, who live in an area already afflicted by poverty.

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[*English*]

ONTARIO ELECTION

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the Ontario polls show a clear preference for Mike Harris and his common sense revolution. Voters give every indication they will reject the Ontario Liberals' daughter of red book on Thursday.

This election is not about right versus left, it is about right versus wrong. Ontarians are saying that employment equity is wrong, that MPP pensions are wrong, and ever increasing taxes are wrong. Ontario is saying that hiring on merit alone is right, workfare is right, and balancing the budget by a fixed date is right. Like Alberta, Ontario is saying that the Reform agenda is right.

It proves clearly that popularity polls are meaningless until the rubber hits the road. Once the Ontario election was called, the common sense revolution destroyed the Liberal mirage.

This Thursday, what is wrong in Ontario will be rejected and replaced with the only party with the Reform message, which knows what is right, Mike Harris—

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HUMAN RIGHTS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, this week marks the 11th anniversary of Operation Blue Star, in which the Indian army stormed the Golden Temple in Amritsar.

The sanctity of the most holy place of the Sikh religion, the Golden Temple, was dishonoured. Many innocent men, women and children who were there to mark a holy day were killed in the ensuing battle for the Golden Temple. Religious freedom, which is protected here in Canada and in many other democratic countries around the world, was violated.

The Sikh community continues to tell its sad story of sacrifice to the world. Today, I ask you to honour the sacrifice of many innocent people who died in this senseless, ruthless tragedy.

We must remember the victims of Operation Blue Star and ensure that such a tragedy never happens again.

* * *

HUMAN RIGHTS

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, the first week of June marks remembrance for two of the darkest incidents in recent times. I am speaking of course of Operation Blue Star, the attack on the Golden Temple, one of the Sikhs' holiest shrines, and the Tiananmen Square massacre.

On June 3, 1984, the Indian army stormed the Golden Temple, injuring and killing hundreds and perhaps thousands in the process. The invasion of the Golden Temple was more than an assault on the shrine itself; it was an assault on the human rights of Indian people.

On June 4, 1989, Tiananmen Square was the site of a brutal attack on students by the Chinese army. Television cameras around the world recorded the horror of students being shot and run down by tanks.

In China as in India, the attack on the students was not only a savage murder of innocent people but also a vicious attack on human rights and democracy.

As parliamentarians, I believe it is incumbent on us to raise the awareness of human rights abuses and to speak out forcefully against them wherever they may occur.

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[*Translation*]

QUEBEC SOVEREIGNTY

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, a new propaganda tool has recently been added to the list of separatist gadgets. Last Thursday, the PQ government in Quebec activated a new toll-free line to answer questions from the public on the future of an independent Quebec.

Listening to the answers provided to any question dealing with a sovereign Quebec, the caller soon starts to wonder if he or she did not make a mistake and dial the number for Cheerful Anonymous instead.

This latest gimmick, which will cost Quebec taxpayers the modest sum of $200,000 for a single month of use, gives a historic advantage to the PQ and the Bloc Quebecois.

• (1410)

This way, they can claim that every "Yes, hello" is another vote in support of their plans for separation.

S. O. 31

[*English*]

TIME ALLOCATION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, in opposition the Liberals howled at Brian Mulroney with righteous indignation over his government's use of time allocation to ram through legislation. With such sincere compassion for democracy, one would expect this Liberal government's record in the use of time allocation to be squeaky clean compared to Mulroney. Let us compare.

Mulroney used time allocation 35 times to pass 200 bills. That is 17 per cent of his bills. Shame on him. Counting today's time allocation motion, the little guy from Shawinigan has used time allocation an unprecedented 11 times in only 59 bills. That is 19 per cent of his bills passed using time allocation, 2 per cent more than Mulroney.

Congratulations, Liberals. A parliamentary record. Does this mean that this Prime Minister is less democratic and even more arrogant than Brian Mulroney? Is that possible?

* * *

[*Translation*]

POVERTY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, yesterday afternoon, as nearly 20,000 Quebecers applauded, the march against poverty ended in a rally in front of the Quebec National Assembly building. Many things were achieved through this march. Not only did the Quebec government respond to most of the women's demands, but the march stirred solidarity and social involvement.

These women from all regions of Quebec won over their fellow Quebecers and put to shame those who had predicted a resounding flop. Women's poverty impoverishes the whole community; it must be fought with all available means.

That is the message conveyed by these women to the Quebec government and the challenge the Bloc Quebecois is putting out to the federal government, which for the past 18 months has been washing its hands of social matters and attacking the most vulnerable in our society.

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[*English*]

ONTARIO ELECTION

Mr. John English (Kitchener, Lib.): Mr. Speaker, George Orwell once said that most revolutionaries are potential Tories because they imagine that everything can be put to rights by altering the shape of society.

It seems that Mike Harris and his Tories are making every effort to alter our health care system with the doublespeak of their so-called common sense revolution. Tory economic policies will never work without dire consequences to the province's health care system. The common sense revolution is really the nonsense revolution.

The Ontario Tories are promising something they cannot deliver. If they are prepared to impose a $400 million health care tax hike to cover just one of their tax promises, imagine what will remain of our health care system when the revolution is complete.

This government and the Ontario Liberal Party are committed to preserving an accessible, universal, and affordable health care system, one that does not require tax grabs or taking us into uncharted waters. We do not want and will never accept a Canada and an Ontario where there is one health care system for the rich and one for the poor.

Mike Harris' revolution is—

The Speaker: The hon. member for Brant.

* * *

ONTARIO ELECTION

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, in the final days of the Ontario campaign voters are starting to ask very tough questions of the simple answers that are being proffered by the Conservatives.

The Conservatives say work for welfare. Ontarians are asking: "How will this work? What about single mothers? What about their children?" The simple Mike Harris answer: "Send them to the foster homes".

The Conservatives have said that they can cut taxes by 30 per cent, balance the budget, and indeed not touch health care. Ontarians ask: "How can this possibly be?" Mike Harris says: "With our new individual health care tax, of course".

The Conservatives say their plan is common sense for all, but Ontarians ask: "Who will benefit most from these tax cuts?" The simple Mike Harris answer: "Those making over $250,000".

I am glad to see that the people of Ontario are finally asking these tough questions. On June 8 the decision we make will determine our future as a province, and now is no time to give up on our Ontarian values of equity, fairness, and compassion.

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PRISONS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the results are in from the inquest into the death of Patricia Williams, the young lady who was murdered at Kent Institution by a killer who had her there on a conjugal visit.

Among the 14 recommendations were that private family visits should not be a right but an earned privilege, and offenders in maximum security institutions who have committed acts of murder due to sexually related crimes shall not be eligible for private family visits.

• (1415)

Perhaps the Liberals could tell us dumbfounded Canadians why in the same prison Terry Burlingham, a killer of two young women who were found murdered, raped and shot twice in the head, is privileged to have a pen pal girlfriend from another country on conjugal visits.

This is the poorest excuse for a government I have seen in decades. When will we start considering the safety of law-abiding citizens ahead of the rights of convicted criminals?

ORAL QUESTION PERIOD

[*Translation*]

POVERTY

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, yesterday in Quebec City, nearly 20,000 people were there to welcome working women who took part in the bread and roses march. These women marched to demonstrate against poverty. For the past few weeks I was visiting various regions in Quebec, and I must say that wherever you go now, poverty is very much a fact of life. According to the official statistics, more than 800,000 Quebecers live on welfare.

My question is directed to the Prime Minister. After seeing thousands of people who joined yesterday in a demonstration against poverty in Quebec, and now that 23 per cent of the labour force in Quebec is out of work, would the Prime Minister agree that his government's job creation policy has been an abysmal failure and is a clear example of inaction?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when the Canadian economy creates 430,000 jobs over a period of 17 months, one can hardly call this a monumental failure. We brought unemployment down from 11.5 per cent to 9.4 per cent. That does not mean we are satisfied. We have to keep trying to create more and more jobs. I think the budget we brought down in February showed that we intend to put public finances on a sound footing and make it very attractive to invest in Canada.

That is also why the Minister of Human Resources Development is preparing an income security reform proposals, so that we can combine our job creation programs and the way we operate our social services so the poor in Quebec and elsewhere will again have the dignity of a job, as soon as possible.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, these artificial figures cannot hide the fact that for the past five months there has been no net job creation in Canada. And that is the truth.

Some hon. members: Hear, hear.

Mr. Bouchard: I may remind the Prime Minister that the worst city in Canada in terms of poverty and dependence on government funds is Shawinigan, in his riding, and the fourth is Grand-Mère, in his riding as well.

Jobs are becoming harder and harder to find, and because of repeated cuts in unemployment insurance, fewer than 50 per cent of the unemployed today are entitled to unemployment insurance benefits, compared with nearly 80 per cent five years ago.

That being the case, could the leader of the government tell us whether his government intends to suspend the new cuts in unemployment insurance, especially those announced by his Minister of Finance in the last budget?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I just said, the Minister of Human Resources Development is working on draft proposals to ensure that resources earmarked for unemployment insurance and welfare payments can be used to create jobs or subsidize certain jobs that could not be created without government intervention.

That is precisely the focus of the government's activities at this time. We will bring legislation before Parliament this fall, and we hope the opposition will help us pass it as soon as possible.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, if it is progressive legislation to take care of the needy in our society, we will support it, but if it is more of the same, we will vote against it, even if we are alone in our defence of the needy in this Parliament.

Some hon. members: Hear, hear.

Mr. Bouchard: Since the unemployment rate in Quebec still varies very little, between 11.5 per cent and 12.5 per cent, and the employment rate has not moved for five months, and considering that 50,000 more people in Quebec are living on welfare and thousands of unemployed workers have now been excluded from unemployment insurance, does the leader of the government, does the Prime Minister realize that his government's record on unemployment during the first 18 months has been dismal?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, since October 1993, 173,000 new jobs were created for women in Quebec, and the unemployment rate for women in Quebec has gone down from 12.1 per cent to 10.8 per cent. That is a substantial improvement.

I must say I am delighted to see the opposition take an interest in the real problems of this country, instead of talking about separation, cunning decisions, and sharp shifts and mirages. We want to work with everyone, with the governments of the provinces, including the Government of Quebec, to improve the social and economic situation of this country. The best way would be to stop talking about the constitution and separation and talk about employment every day, the way we are doing today.

* * *

UNEMPLOYMENT INSURANCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, allow me to remind the Prime Minister that, over the past nine years, the Canada that produced so many unemployed and welfare recipients was managed by federalists, as was the province of Quebec. This is the result of their policies. They should not try to muddle the issue: this is their legacy, and Quebecers are increasingly aware of that.

Currently, more than half of Canada's unemployed are not even eligible to UI benefits any more. No question about it: this is the result of this government's actions. This situation shows how the government targeted the unemployed, rather than unemployment.

Last year alone, the UI fund generated a $4 billion surplus, yet the government still intends to cut another $700 million. Given that surplus, and the fact that over half of the unemployed are no longer eligible to the UI program, will the government agree to not go ahead with this unacceptable cut of $700 million?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have to take into account the fact that, before us, there was another government, in which the Leader of the Opposition was a very prominent minister. That government left us with a $6 billion deficit in the UI fund, and we have to pay it off.

Indeed, if the Conservative Party, which included a very prominent minister and lieutenant for Quebec, generated such a deficit in the UI fund, we, as a responsible government, must pay that deficit, as we are doing, and re-establish a UI fund which will truly serve in difficult situations. That would be an easy thing to do now if the Conservatives, including the Leader of the Opposition, had not been in office for so long.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, when there is a reference to the plight of poor people, it is the separatists' fault, and when there is a reference to the government's UI cuts over a three year period, it is the Conservatives' fault. Enough is enough.

Will the Prime Minister agree to stop being irresponsible, as he has been since the beginning, and will he recognize, as does the Quebec minister for income security, that 43 per cent, a percentage which reflects a tragic situation, of the new households joining the welfare rolls in Quebec have been excluded from the UI program because of the cuts made by this government? Will the Prime Minister finally admit that?

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I explained a minute ago that we are working on it. Since we formed the government the economy has created more than 430,000 new jobs in Canada. We would like to see the situation improve more. The problem was put in our lap when we came here; 11.5 per cent were not working and were on unemployment insurance. At the moment we are trying to solve it.

I am delighted to see the Bloc Quebecois talking about jobs today. At long last it is not talking about separation, the tournage and the virage and tricky questions. It is talking about real problems. I am delighted to see the leader of the Bloc Quebecois is today having another virage; he is getting preoccupied with job creation. I am happy today.

* * *

• (1425)

GOVERNMENT APPOINTMENTS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, both the justice minister and the revenue minister continue to trot out words like competence and merit with respect to the government's latest patronage appointments in the B.C. justice system.

There is no possible justification for turning aside a firm with 20 years experience in narcotics prosecution in favour of inexperienced political friends.

Can the justice minister explain to the House specifically how the new firms in the revenue minister's Victoria riding have more competence and merit than the firm the government terminated?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I note with satisfaction nothing in the hon. member's question suggests the new agent is not competent. The new agent is competent.

The premise of the hon. member's question is the appointments were somehow motivated by patronage. Of the new agents supported by the government, 38 per cent had acted as agents under the previous government. In British Columbia of the 38 agents whose mandate has been confirmed, 47 per cent had acted as agents for the previous government. We appoint agents on the basis of competence.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, that is really interesting. According to the news reports we are getting there is serious concern on the part of law enforcement people. One report from Victoria says a judge last week examined a charge and

commented he hoped the new drug prosecutor learned how to spell marijuana correctly.

Was the justice minister made aware of the very close political ties between the revenue minister and the Victoria law firms before the appointments were made?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, if we were to determine who was to continue as an agent for the government based on the stripe of the party that appointed them, it seems to me that 20 years ago the government in office was a Liberal government. Surely the premise of the hon. member's question is faulty.

As we find agents to represent the federal interest in court we look for people competent for the task. That is the approach we have taken in British Columbia and across the country.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I am speaking specifically about the situation in Victoria and the three firms there with absolute ties to the revenue minister.

Will the minister now do the right thing and rescind these obvious patronage, political appointments and award the contracts on the basis of merit alone?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, these agents were appointed because they are competent to do the work they have been asked to do.

The hon. member should also observe as he looks at the government's record of appointing legal agents the changes we have made with respect to training new agents, the clarity in the terms and conditions governing their appointment, and that we are addressing the issue of conflicts which has never before been regulated by government. We are ensuring the people who represent the government in court abide by those standards in respect of not only competence but also conflict of interest. That is a stride forward.

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[*Translation*]

MANPOWER TRAINING

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

One of the nine demands made by the Quebec women who marched against poverty was the creation of an accessible manpower training network. As all stakeholders in the labour market in Quebec know, Quebec's labour sector has unanimously demanded exclusive control over job training for the past six years.

• (1430)

Does the minister realize that this extraordinary march against poverty organized by Quebec women clearly and dramatically demonstrates the effects of the federal government's repeated refusal to give Quebec exclusive power over manpower training?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member draws a somewhat curious conclusion. The fact is that in the past year alone, over 50,000 women in the province of Quebec have benefited directly from federal employment training programs. It is the largest training program being offered to women throughout the country. We are making a very serious effort to respond to the real needs of women not just in Quebec but across Canada.

In this effort it would be much more important if we could find the ways to work together. I am sure the women who were in the march this weekend would want governments to work together to co-operate and collaborate, not to work in terms of setting up separate jurisdictions, separate kinds of identity but to co-operate. That really is the spirit by which we can conquer poverty in this country.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I repeat, Quebec has unanimously demanded power over manpower training. And women, some of them single parents, some of them stuck in low paying jobs, some of them re-entering the workforce after having raised their families, made the statement yesterday that they need a co-ordinated job training policy and they are asking Quebec to provide it.

Will the minister acknowledge that until Quebec receives exclusive power over manpower training, women will continue to be cruelly disadvantaged?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is too bad the hon. member twists the really deep and sincere interest and emotion of the women to try to turn it into an argument for separatism.

What we offered a year ago is exactly what the member said. We offered to the province of Quebec, as we did to all provinces, a fully co-ordinated labour market program. We would do the planning together. We would have the guichets uniques together. We would work out the programs together. The province of Quebec has yet to respond.

* * *

HIGHWAYS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, in the last Parliament a Tory minister diverted money from a federal-provincial program to a road in his riding. I would like to quote from *Hansard*: "The $20 million gift of federal taxpayers' money spent on a project not even related to the purposes of the

fund in the riding of the minister responsible for the Atlantic Canada Opportunities Agency is appalling".

Since these words were spoken by the current public works minister six years ago, I would like to ask the minister to stand and explain what has changed. Why is Liberal pork barrelling acceptable to him on highway 104 but appalling when the Tories did it?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, the government and the Minister of Transport have answered this question time and time again.

Highways are under provincial jurisdiction. It is up to the provincial minister of transport to determine the priorities of where he wants to put those highway funds. This government obliges what the province asks for and that is what we have essentially done.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I guess we are not going to get that fellow up here to talk about this. Let me quote the public works minister once again. This is a recent quote: "Drivers had better get used to the idea of toll booths on the Trans-Canada if they expect major highway projects to proceed".

My question is for the Prime Minister if he would like to get up. In addition to the recent tax increases on gas, are we to expect these tolls on the Trans-Canada because his ministers are using the highway improvement money to buy votes in their own ridings?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, once again to educate the Reform Party, highways are under provincial jurisdiction. To toll a highway is the responsibility of the provincial government. Not to toll a highway is the responsibility of the provincial government. Surely the Reform Party, which calls for more autonomy for the provinces, would not want this federal government to intrude on provincial jurisdiction.

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• (1435)

[*Translation*]

CHILD POVERTY

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Prime Minister.

In 1993, Canada's child poverty rate was the second highest among industrialized countries. Last year, more than one in five Canadian children were poor. And all that the federal government has on its social program reform agenda are cuts, cuts, cuts.

Will the Prime Minister admit that the problem of child poverty is caused by their parents' poverty and that the measures taken by the government since it was elected only push families closer to the brink of poverty, in particular by making many of them ineligible for unemployment insurance?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have said right from the beginning that one of the real purposes for undertaking a major modernization of our social programs is to tackle the whole problem of poverty faced by women and children. The beginning of that was to create the proper economic climate.

I would like to point out to the hon. member that in the past year alone there has been an increase in employment in the province of Quebec. Over 42,000 new jobs have been created for women in Quebec. That is one important way to provide economic security. At the same time, as the hon. member well knows, we have put forward an offer and a willingness to engage in the cost sharing of a new child care program to enable women to more easily get back into the workforce.

We are certainly open and willing to have discussions with the provinces. We have already set in motion a program with the aboriginal First Nations of this country to start a child care program. We would certainly like to continue that work in discussions with the provinces. We are making an effort.

The most important way the hon. member can help in the question of getting a combined collaborative effort on the issue of poverty for both women and children is to work to make sure that the social reform goes ahead in the quickest, most effective way possible.

[*Translation*]

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, in Quebec, 245,000 children currently live in families drawing social assistance benefits. Will the Prime Minister admit that his $7 billion in cuts to transfer payments and the relentless cuts to the unemployment insurance system, which push more and more families on to social assistance, exacerbate the already glaring problem we have with poverty?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, this is the same question. As the hon. member will probably know, in the House of Commons report which was tabled in the House just last fall, it was indicated that one way of tackling that problem was to give the provinces more flexibility.

They could then establish a broader range of incentives and support particularly for single mothers who want to get back into the workforce.

I can indicate to the hon. member that we have been discussing with Quebec government officials the undertaking of strategic initiatives by which we could help with the APPORT program, a very successful program in Quebec, to aid and abet in those areas. We are simply waiting for a reply, again on our willingness to co-operate in those areas.

We are making efforts. Fundamentally, we have to recognize that to bring about a real attack against the question of poverty is going to require the efforts of all levels of government, business, labour, social groups and women's groups. No one single jurisdiction can do it alone. We must work together, as an ensemble.

* * *

GOVERNMENT CONTRACTS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Since he was appointed to the cabinet, the minister has attended a number of fundraising dinners organized by Richard Gervais, a lobbyist and Liberal bagman. As payback for his fundraising efforts, the minister has rewarded Gervais with departmental contracts.

Having helped pay off the minister's election debts, how many untendered contracts has Gervais or his company received as a reward and at what cost to Canadian taxpayers?

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am not quite sure whether this question concerns the responsibilities of my portfolio. Of course, in recent years, I have participated in many fundraising events, as we all do, and I will continue to do so.

However, I can assure you that the rest is allegation. I would be happy to respond and provide our colleague with all the details, if she wants information on Mr. Gervais's contracts.

• (1440)

[*English*]

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, Gervais has received no less than two contracts from the minister. As a lobbyist, Gervais has at least one client who receives grants from the Department of Canadian Heritage. It is a blatant conflict of interest for the minister to be issuing contracts to his bagman and grants to the clients of his bagman.

Why is the government shamelessly allowing its ministers to hand out untendered contracts to Liberal fundraisers?

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague knows very well that Elections Canada has a system set up to provide this type of information and establish the rules of the game. These rules have consistently been followed to the letter.

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BOSNIA

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Prime Minister.

Over the weekend, NATO decided to establish a rapid reaction force under UN command, which, for now, could include up to 10,000 men. France and Great Britain, among others, have already offered to participate. In Bosnia, the Serbs continue to hold more than 250 peacekeepers hostage, including 12 Canadians.

Would the Prime Minister bring us up to date on the situation of the Canadian peacekeepers held hostage and on the status of the negotiations toward their release?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we were delighted to learn over the weekend of the release of many of the hostages. A number of hostages remain, including one being held outside Pale. The others are near Visoko, and we are in contact with them. We are talking with local Serb and Bosnian Serb authorities in the hopes that these hostages will be freed as quickly as possible, like the others. However, I have nothing else to report on this at the moment.

As regards the decision by the defence ministers of the countries involved, the ministers met in Paris, and Canada's Minister of National Defence and Chief of the Defence Staff, John de Chastelain, were present. The proposal was made. However, the Government of Canada has not yet decided to take part. We will see whether our participation would be beneficial or required, in the coming days and weeks.

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, we learned this morning that Canada is preparing an operation for the withdrawal of 800 Canadian peacekeepers from Bosnia.

Are we to understand that Canada does not intend to participate in the rapid reaction force, preferring to withdraw its peacekeepers from Bosnia unilaterally under operation Cobra?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Government of Canada has joined with the other governments that have troops in Bosnia, Croatia or elsewhere in the former Yugoslavia, to draw up plans for the troops to be withdrawn safely, should their withdrawal be required at some point.

This weekend, the President of the United States sought the support of Congress and the American people for the possible

intervention of American troops to help the peacekeeping forces in Yugoslavia in the event of a withdrawal operation.

There is no question of withdrawing at the moment. We must, however, always be prepared, should we have to withdraw, and this is what we are doing at the moment. There are no plans for a unilateral withdrawal from Bosnia at the moment. Our troops are in Bosnia because we were given a mandate by the United Nations. As I have said in this House, we complete our United Nations mandates. In this instance, we are beginning a six-month mandate.

* * *

[*English*]

PUBLIC SERVICE

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

The minister has announced changes in the way term employees in the public service will be treated by the government in the downsizing period. This appears to be unfair to term employees who have close to five years of service and would otherwise be eligible to become permanent public servants.

Can the minister tell us how the government will ensure that term employees are protected?

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the government wants to ensure there is a level playing field between determinate and indeterminate employees. It wants to be fair and up front.

For the first time there will be a formal written notice given in cases of layoff or end of employment. Also for the first time there will be access to transition services for employees with two years of service or more. That will help them in relocating and finding other employment.

• (1445)

When a term employee nears five years of service there will be less probability of losing employment because of it. That is all in the spirit of fairness and ensuring a level playing field for everyone.

* * *

ABORIGINAL AFFAIRS

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the illegal Indian blockade of the Douglas Lake ranch continues today despite the fact that the RCMP has had an injunction enforcement order for several days now.

It appears the only significant thing, as we have read, the RCMP has done has been to offer the band's chief as of yesterday an eagle feather and some tobacco.

While non-natives continue to be held hostage by the illegal blockade, maybe the Solicitor General could tell the House exactly who has directed the RCMP not to enforce the injunction order and remove the illegal blockade?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, in this matter the RCMP is acting as the provincial police service pursuant to an agreement between the federal government and the Government of British Columbia whereby the RCMP acts as the provincial police. This is a matter for the attorney general of British Columbia.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the attorney general of British Columbia has told the people that he will not interfere with the job the RCMP has to do.

If the attorney general of B.C. is not giving direction to the RCMP, someone is and is telling it not to enforce the injunction to remove the illegal blockade. I am sure the people of Canada, particularly the people of British Columbia and those who are involved with having equipment behind the barricades and are being kept from going into Douglas Lake ranch, would like to know exactly why the RCMP is not enforcing its mandate. Who is telling it not to?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, in this matter the RCMP is not acting on behalf of the federal government when it comes to enforcing an order of the courts in British Columbia. The RCMP is acting as the provincial police service pursuant to an agreement with the Government of British Columbia.

Therefore I again suggest to my hon. friend that he direct his question to the attorney general of British Columbia. I understand my hon. friend's concern about the matter, but it is not one under which the RCMP is acting under the direction of the federal government.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Prime Minister.

The federal government is abandoning the regions as it plans to close several employment centres, withdraw from air and rail transport infrastructure, cut regional development funds, and increase the number of weeks of work required to qualify for unemployment insurance in the regions with the highest unemployment rates.

Does the Prime Minister realize that his government's actions are hitting the regions hard and that thousands of people from Shawinigan to Saint-Siméon are directly affected by Ottawa's desertion?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I do not know where the hon. member gets his information, but no decisions have been taken on the reorganization of the department.

I assure the hon. member that when we complete the reorganization there will be more points of service available to more small communities in Canada than there are today.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I get my information not only from the people in the region but also from employment centre staff, who are very concerned about the situation.

Some hon. members: Hear, hear.

Mr. Crête: Is the Prime Minister aware that, by restricting access to unemployment insurance and reducing the duration of benefits, his government launched a direct attack against workers in resource regions who work on a seasonal basis in sectors such as fishing, forestry and tourism?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I remind the hon. member that in this government ministers make decisions, not people at the local level, in terms of the basic reorganization of the department.

I will be glad to share any information with the hon. member, but I do not think it is particularly prudent for him to be responding to rumours or suggestions or recommendations. He should wait to deal with the facts.

* * *

• (1450)

BABBAR KHALSA

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, on May 4 the Minister of National Revenue challenged me to provide him with information that the Babbar Khalsa was a terrorist organization.

On Wednesday, May 31, the RCMP named the late Talwinder Singh Parmar and six colleagues as suspects in the Air-India bombing.

Today I have provided the minister with a copy of a 1989 newspaper photo of Parmar holding a rocket launcher surrounded by dozens of machine guns and rockets. At that time Parmar stated that if anyone wanted to commit suicide he should board an Air-India plane. He also stated that then Indian Prime Minister Rajiv Gandhi would not be allowed to live beyond 1990.

I have a question for the Minister of National Revenue. Which of the above items does he believe qualifies the Babbar Khalsa society for charitable status?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for sending over a copy of the document, which was on my desk when I arrived in the House. Unfortunately I do not speak Punjabi and it has been a little difficult for me to understand the true import of her question, but I thank her for the effort.

It is the policy of the Government of Canada not to support terrorist organizations of any type, whether on the Indian subcontinent, in the former Yugoslavia, in Ireland or wherever. We provide no support with respect to charitable status.

Where we have reason to believe a charitable organisation is not living up to its charitable status, which requires it to be promoting religion, education or certain social services, we launch an investigation. Any organization could be looked at, depending on the information we receive. Twenty organizations are now appealing their denials of charitable status in the federal court. We follow it up closely.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I wonder just how much evidence the minister will require before he realizes that the Babbar Khalsa is a terrorist organisation and not a social club.

While I do not expect the minister to listen to members of the opposition, could he explain what rationale his ministry used to ignore a protest from CSIS made over a year ago that the Babbar Khalsa should be denied charitable status?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the denial of charitable status is something which I have suggested can be appealed in the courts. It is something we do on the basis of proper investigation and information.

We are quite willing to accept the views of the hon. member that a picture of a member with guns surrounding him is evidence, but I suggest it is totally contradictory to the Reform Party's gun policy that the mere presence of a photograph with weapons causes one to be investigated and causes one to lose charitable status.

* * *

FOREST FIRES

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

Recognizing that forest fires fall under provincial jurisdiction we nevertheless find ourselves faced with one of the worst outbreaks of fires in recent history. What are we doing federally to help thousands of Canadians affected by this horrible situation, not to

mention the preservation of the vast forest so important to rural communities?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, I would like to update the House with respect to the situation right now in the country.

While the forest fire season got off to a slow start, unfortunately we are now seeing the destruction of many thousands of hectares of Canada's forests in the western part of the country. For example, in British Columbia 112 fires are burning; in Alberta, 24 fires; in Saskatchewan, 54; and in Manitoba, 27.

Very briefly let me say again that what we are doing at the federal level—

Some hon. members: Order.

Ms. McLellan: Perhaps they might be interested in listening to the answer considering that it deals with the economy of provinces like British Columbia and Alberta.

Some hon. members: Hear, hear.

The Speaker: I would ask the hon. minister to make her final point.

Ms. McLellan: Let me simply say that we work in co-operation with the provinces and in particular through the inter-agency forest fire centre which ensures that the federal government and the provinces make the best use of their resources to fight forest fires.

* * *

• (1455)

[*Translation*]

SOCIAL HOUSING

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, the amounts allocated to social housing by the federal government have been falling at an alarming rate since 1992. Last March, the Minister of Finance cut the CMHC's budget by $307 million, effectively killing any hope of new social housing initiatives. Yesterday, 20,000 people demonstrated in Quebec City to remind the government that social housing was one of their nine key demands.

Does the Minister of Public Works not agree that his cuts to social housing subsidies are a direct attack against the essential needs of the most vulnerable families in our society, despite Liberal election promises that these people would enjoy an acceptable standard of living—

The Speaker: My dear colleagues, I agree that this is a long preamble. The hon. member will please put his question.

Mr. Marchand: Does the minister not agree that his cuts to social housing subsidies are a direct attack against the essential needs of the most vulnerable families in our society, despite Liberal election promises that these people would enjoy an acceptable standard of living in conditions of dignity and respect?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I think the hon. member will know each department and each agency of the Government of Canada has had to undergo an extensive review of its programs. Canada Mortgage and Housing has been no exception.

The hon. member will know the Government of Canada provides on an annual basis $2 billion for approximately 140,000 units across the country. Furthermore, the government was able to provide $100 million under the auspices of RRAP. There have been a number of other initiatives too long to mention.

Perhaps I could conclude with a final one. Under the auspices of the private-public partnership centre of Canada Mortgage and Housing and the private sector, 49 projects creating over 2,500 units in the country have been put in place.

* * *

YOUNG OFFENDERS ACT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, in amendments to the Young Offenders Act the justice minister included a provision to have 16 and 17 year olds tried in adult court.

Provisions in the Criminal Code and carried on in Bill C-41 stipulate persons under 18 convicted of first degree murder are eligible for parole after serving between 5 and 10 years. Adults convicted of first degree are not eligible for parole until serving a 25-year sentence.

I have a question for the Minister of Justice. What is the purpose of having 16 and 17 year olds in adult court if they are not going to receive adult sentences?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member knows as a member of the justice committee which considered Bill C-37 including these specific provisions that the proposal is that for 16 and 17 year olds transferred to adult court and convicted of first degree murder the period of parole ineligibility would be 10 years. That was arrived at, as the evidence before the committee demonstrated, because it was thought to be the appropriate balance between recognizing the age of the young person convicted of the offence and recognizing the need to protect society.

The provision in that bill which came out of committee has now been passed by the House.

HEALTH CARE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the Prime Minister.

Today the Canadian Hospital Association will be opening its annual meeting with a call to arms against the government's plan to dismantle the national health care system.

• (1500)

The plan to group funding for health, social assistance and education and to gradually deplete the cash portion of the transfer has been roundly denounced by the Canadian Medical Association, the Canadian Hospital Association, labour organizations, the provinces and territories. Even the nine Liberal members on the finance committee have said the cash portion must be retained.

Will the Prime Minister finally listen to Canadians and set out plans to ensure that the cash transfer portions for social and health programs will continue past the year 2000?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, that is exactly what we are trying to achieve in the bill. If we do not pass the legislation, there would be no cash transfers for health purposes within two or three years in some provinces.

That is why we changed the system, so there would always be cash transfers and we can ensure that the five conditions the House supports for medicare is respected. The only way to achieve it is by making these changes.

If we were to follow the advice of the leader of the NDP, within a couple of years provinces like Quebec, for example, would not receive any cash payments and we would have absolutely no more influence.

The Speaker: Colleagues, that brings question period to a conclusion.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency, Dr. Tarmizi Taher, Indonesian Minister for Religious Affairs.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

* * *

[*English*]

PETITIONS

SEXUAL ASSAULT

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is my privilege to present to the House a petition of 153 pages which was put together by the Fernie Resource Centre for Women. It is an interesting petition and I support it completely.

The final conclusion of the petition is that your petitioners pray and request that Parliament amend section 271 of the Criminal Code to include a minimum sentence of five years where a person pleads guilty to or is found guilty of level one sexual assault.

I concur totally with the petition.

BILL C-240

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition duly certified by the clerk of petitions on behalf of 60 individuals from the riding of Saanich—Gulf Islands and surrounding area.

The petitioners call on Parliament to enact legislation against serious personal injury crimes being committed by high risk offenders, by permitting the use of post-sentence detention orders and specifically by passing Bill C-240.

BILL C-42

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition from Susan Sudernman of Prince George.

The petitioners humbly pray that section 718.2 not be passed and specifically that Bill C-41 not include the undefined phrase, sexual orientation.

FIREARMS

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I have another petition from John Lombardi of Houston, B.C. in my riding. The petitioners pray that Bill C-68, concerning the registration of firearms by law-abiding firearms owners not be passed by the House.

ASSISTED SUICIDE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I have another petition from Northside Christian School in Vanderhoof, B.C.

• (1505)

The petitioners pray for Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted

suicide be enforced vigorously and that Parliament make no changes in the law that would sanction assisted suicide.

REFORM PARTY

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Finally, Mr. Speaker, I have a petition from Prince George, B.C.

The petitioners call on Parliament to preserve Canadian unity, parliamentary tradition and to protect the rights of all the people of Canada by prevailing on the Speaker of the House to recognize the Reform Party of Canada as the official opposition during the remainder of the 35th Parliament.

I personally support all of these petitions.

HUMAN RIGHTS

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I have five petitions with 188 signatures in which the petitioners call on the Parliament of Canada to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law.

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, I have the privilege to rise this afternoon under Standing Order 36. I have 187 names concerning Bill C-41.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act, the charter of human rights and freedoms in any way with regard to this bill.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am happy to present a petition from 51 of my constituents who request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights code to include in the prohibited grounds for discrimination the undefined phrase of sexual orientation.

YOUNG OFFENDERS ACT

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, under Standing Order 36 it is a privilege to present this petition with 179 names plus that of Mr. Castet whose son was murdered in Victoria.

The petition calls for changes to the Young Offenders Act and calls for the government to enact legislation to reform the justice system and the Corrections and Conditional Release Act according to eight principles.

ASSISTED SUICIDE

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I have three petitions to present under Standing Order 36. The first petition has 25 signatures and comes from the Elrose area of my constituency.

The petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

INCOME TAX

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I have a second petition with 43 signatures coming primarily from the Lloydminster area of my constituency.

It states that whereas Canadians are already overburdened with taxation due to a high spending government they pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

OFFICIAL LANGUAGES

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the third petition has 36 signatures.

It states that Canada has enacted legislation providing for two official languages, English and French, in Canada and it calls on Parliament to provide for a referendum of the people, binding on Parliament to accept or reject two official languages, English and French, for the government and people of Canada, the acceptance or rejection of the proposed amendment to be determined by a majority vote of the total votes cast in the whole of Canada, together with a majority vote in the majority of provinces with the territories being given the status of one province.

THE FAMILY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36 I wish to present a petition that has been circulating across Canada. This particular portion of the petition comes from the Sarnia, Ontario region.

• (1510)

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

The petitioners, therefore, pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill and the aged.

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, if question No. 135 could be made an order for return, that return would be tabled immediately.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

[*Text*]

Question No. 135—**Mrs. Ablonczy:**

With respect to all communications-related initiatives within the Department of Human Resources from January 1, 1994 to December 31, 1994 (*a*) how much money will be spent through public and private agencies, (*b*) what is the description of each project, (*c*) to whom were the contracts awarded and (*d*) what was the amount of each contract?

Return tabled.

[*Translation*]

Mr. Gagnon: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed consideration of motions 23 to 45.

The Deputy Speaker: The hon. member for Bourassa has seven minutes remaining.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I will conclude my remarks on Bill C-76. It should be noted that the Liberal government has already reduced the net income of seniors by approximately $500 million with the tax credit cuts imposed in the 1994 budget.

The freezes and cuts imposed by the federal government since 1984 currently translate into a $9.7 billion shortfall in the funding of social programs in Quebec. We have more than 808,000 people on welfare in Quebec today; in Ontario, they are more than a million.

In 1980, about half of the social programs in Quebec were funded through federal contributions. By 1997, only 27 per cent of these programs will receive federal funding, while Quebec sends $29 billion in taxes to Ottawa every year. Since the Liberals took

office in 1993, the number of welfare recipients has increased by 53,000 mainly because of UI cuts.

That is the kind of compassion demonstrated by the Liberals for the most disadvantaged segment of our society. These cuts fly in the face of red book promises and everything the Liberals stood for in the last election campaign.

The federal government only manages to increase the problem of poverty, instead of alleviating it. The Chrétien government is the largest producer of welfare recipients in Canada.

Close to 500 Quebec women took part in the march to denounce poverty and the plight of children, and also to promote a better world. The 200 kilometre march, which I enthusiastically supported, started from Montreal, Longueuil and Rivière-du-Loup, lasted 10 days, and ended yesterday in Quebec City with a demonstration, in front of the National Assembly, in which 15,000 people participated.

There are still too many women affected by poverty because of their family situation, their age, their training, or the fact that they are unemployed or on welfare. Yet, federal cuts to social programs only make the situation worse for these women.

I want to pay tribute to these marchers for their courage and for their cause, which also concerns men and the population as a whole. This march is a giant step in the fight against poverty in Quebec and in Canada.

I want to point out that Mr. Parizeau's government reacted positively to the claims of these women. For example, minimum wage will increase by 45 cents on October 1st, going from $6 to $6.45. At the federal level, minimum wage is only $4. It is a disgrace.

• (1515)

The federal government should know that the vast majority of minimum wage workers in Canada are women. This march had other positive results: housing for homeless women, training for welfare recipients and the automatic collection of child support payments.

In addition, the sponsorship period for immigrant women is reduced from ten years to three. As a result, immigrant women will be able to free themselves from abusive or violent husbands without too much trouble, I hope. At the federal level, however, this sponsorship period is still 10 years. This is a disgrace.

As far as the preventative withdrawal of pregnant women from work and parental leave are concerned, Quebec is way ahead of the federal government. The federal government must act quickly to improve its social legislation in order to protect women instead of cutting everywhere, except where necessary, especially in defence spending. I just found out that the Liberal government has decided to purchase 15 search and rescue helicopters and 32 helicopters for the navy at the astronomical cost of $2.6 billion.

It is outrageous that this government is spending billions on military equipment at a time when it is cutting social programs, UI benefits and social transfers. This decision is all the more disturbing since upon taking office in 1993 the Liberal Prime Minister cancelled the contract to purchase 50 helicopters that had been signed by the old Tory government. I am accusing this government of not keeping its word in this matter.

I am asking the federal government to withdraw Bill C-76 and enter into negotiations with the Quebec government. The federal government must withdraw completely from social programs, education and other areas under Quebec jurisdiction. In return, it should give Quebec full fiscal compensation by transferring tax points.

The time has come to end federal interference in areas of provincial jurisdiction. Quebec has the right to give itself job creation, manpower training, education, health and welfare policies in line with its own needs and priorities.

For all these reasons, I am against Bill C-76.

[*English*]

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to rise to discuss the Bill C-76 motions that deal with provincial transfer payments and more specifically the Canada health and social transfer.

A number of Reform motions are designed to remove the government's ability to unilaterally decide what constitutes the violation of national standards, for instance in the Canada Health Act, and to unilaterally decide what the financial penalty should be.

The Reform Party has proposed amendments that would force the federal government to take provincial governments to court for alleged violations of national program standards and would subsequently allow the courts, not cabinet, to determine any penalties.

Our second goal is to prevent the federal government from imposing additional unilateral national standards like cross-country welfare rates without the consent of all the provinces. Clause 48, for example, uses the phrase "by mutual consent" in the context of additional national standards and criteria for services. This would in effect permit the Minister of Human Resources Development to proclaim new standards in welfare without the consent of the province of Alberta or Quebec, for instance.

In committee both Reform and Bloc members questioned government witnesses as to the intent of the mutual consent clause and how it would work. Would the government, for example, seek unanimous consent from the provinces when it changed national standards, or would it use the seven out of ten provinces rule representing over 50 per cent?

• (1520)

What does this mutual consent clause really mean? Mr. Speaker, with the bank of lawyers we have working for the government you would think this clause would be made more clear. I guess that is why we have a justice lawyer suing the government for boredom for lack of work.

The bottom line is that Reform's amendments ensure Canadians that clause 48 will not be brought in as an excuse by any cabinet minister to set out national standards unilaterally without the consent and co-operation of the provinces.

Another concern of ours is that the motive underlying many of these changes and the creation of the Canada health and social transfer is to provide the federal government with a bigger stick to whip dissident provinces into line. For example, in Motion No. 57 we propose to delete a section of clause 51 that would allow the federal government to withhold equalization payments and other provincial transfers for violations of the Canada health and social transfer conditions. In other words, this clause would allow the federal government to withhold cash from other programs even after the cash component of the Canada health and social transfer has been exhausted.

Reform wants to move in the other direction, toward unconditional provincial transfers. Let us move control over our social programs closest to the level that administers them. Let us rethink the way the federal government provides services to Canadians.

This Liberal government promised to provide a new blueprint for social reform. That promise, like so many, was broken when the Minister of Human Resources Development failed to deliver on his green paper. There was a promise not to increase the tax load on the long-suffering, overtaxed Canadian taxpayer. It was broken to the tune of $500 million a year with the imposition of a 1.5 cent per litre tax on gasoline and the elimination of PUITTA, the public utilities income tax transfer, also in Bill C-76.

There was a promise of a more open Parliament where MPs would be free from party discipline. This was broken when Liberal MPs who voted against the government's gun control bill were stripped of their committee positions.

Now we are debating a bill that continues the trend of breaking promises that have been made to Canadians. In 1960 Prime Minister Pearson promised the provinces the federal government would pay 50 per cent of the costs of national health care. This was the condition insisted on by the provinces and promised by the federal government. Without this promise the provinces would not have agreed to national medicare. For example, the 1966 medical

care act clearly states that "the amount of the contribution payable by Canada to a province in respect to a medical care insurance plan is an amount equal to 50 per cent". That is still in the act.

What is the state of that sacred promise today? Today the federal government's contribution to health care funding is not 50 per cent, as promised; it is now less than 23 per cent and falling. Because it is breaking its fundamental financial promise, the federal government is slowly undermining the other principles of medicare: it undermines accessibility as waiting lists get longer and longer; it undermines comprehensiveness as more and more health services are delisted from provincial insurance plans; it undermines universality as the system evolves into a multi-tier system with access to the various tiers being tied increasingly to ability to pay.

The fact is that Canada already has a multi-tiered health care system, which the Minister of Health chooses to ignore, access to which has been made more restricted by rising health care costs and declining federal support. The challenge is to reform medicare so that one of those tiers can contain all the essential health services required by Canadians, financed by sufficient federal and provincial funding so that no Canadian is denied access because of inability to pay.

Canadians are asking and will continue to ask when real health care and social reform are going to come, and from where? This is not going to come from this federal government under the current Prime Minister, Minister of Health, or Minister of Human Resources Development. They resist every proposal for change. They charge anyone who advocates change with being an enemy of medicare or in favour of social programs that favour the rich.

The Liberals were only dragged into the discussion of health and social reforms because their officials kept telling them that if they did not do something the system was going to collapse and they would carry the blame.

Like all previous governments, all they have done is study the issue. That fiasco held by the social reform people of the human resources development commission who went across the country loaded with paid people to show up and private interest groups presenting their points of view was a complete scam and sham. Nothing fruitful has come from that.

• (1525)

As well, the 1995 federal budget is a perfect example of the fact that the government has no real vision for our social programs and therefore picks the simplest route. It cuts funding to the provinces while at the same time failing to give them more flexibility in administering the lesser amounts it is granting to the provinces. What a simple solution: give less, say less, let the provinces handle the problem. That is not the kind of leadership the Reform Party feels Canadians want, nor is it the kind of leadership the Reform Party will provide when it becomes the government.

Quite simply, the Liberals want to have their cake and eat it too. The provinces are no longer buying this. In fact, I believe that if in 1960 the provinces and Canadians could have foreseen the monopoly Ottawa has today on setting the terms and conditions of health care services and financing, then the present medicare system would not have come into being in the first place.

The provinces need to be given more control over their affairs. If they do not then our social system will continue in a downward spiral to a point where fundamental programs like universal health care can no longer be afforded by or provided to Canadians by any government.

My concerns are very simple. When this bill was in the standing committee on finance being reviewed, the officials and the minister appeared at that committee. We were discussing this very clause, clause 48. We asked the minister what his officials determined was meant by mutual consent. The Canada Health Act is in place. The five principles are there and they are a sacred trust. Everybody in Canada believes in those five principles. We are not going to quibble about those five principles. However, by denying the provinces the flexibility to determine how to pay for some of these, as I pointed out in my speech, the government is hurting them, not helping them. By insisting that we still need universality and by insisting that the provinces have to follow these rules and Alberta has to close some clinics that people pay for, it certainly means to me that the Liberals do not want solutions, they just want control, for no reason.

Now we have something called the Canada health and social transfer, which means downloading the problems to the provinces and giving them less money. The government can now cut its budget, solve its problems and look good. In the meantime, the provinces will struggle.

In the standing committee we pointed out that there will have to be new social programs in order to address our spending on welfare and unemployment because the needs of the Canadian people are important. When we do discuss those and the provinces then look at the money and funds they have available, what are they to do? Are they to then decide what they want to do, with one province doing this and another doing that, and then the federal government tells them it will not give them the money because it calls the shots and it decides what the principles are they have to follow?

If the government does not like the principles it does not have to give to the provinces. If the provinces breach any of the rules in the program, for instance in health care, it is not only not going to give that amount of money for health care but it will cut the provinces off on other programs. That is way too much power. It is ridiculous and unnecessary.

What the Liberals said in committee was that their intent of mutual consent was that the provinces agree. They will not force anything onto the provinces that the provinces do not agree to. Is that really what the federal government means and what it wants done? I asked this in the standing committee and the government

turned it down. Therefore, I question if that is really what this government wants.

This is what the government turned down. If verbally the government is promising to Canadians in a standing committee that nobody knows or hears about that mutual consent means that the provinces have to agree, then why not change the one word mutual to unanimous? If the government intends for all the provinces to agree, change the word mutual to unanimous.

With unanimous consent, now the government has the written agreement that goes along with the verbal agreement of this government and a solution to the problem. In this way, Quebec is happy, Alberta is happy, Ontario is happy, all the provinces are happy. But this government does not want to do that. This just points out to me that it will say something verbally, and a verbal promise is as strong as a written promise. It is on the record.

• (1530)

We voiced our concerns about that clause, that amendment. We will use the quotation of the Parliamentary Secretary to the Minister of Finance in which he promised mutual consent means the provinces must agree. In the future if the provinces do not agree and the government forces them, it will once again have broken another promise.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, it is my duty today to denounce one of the worst incursions in the history of federalism into provincial jurisdiction. Bill C-76, an act to implement certain provisions of the last federal budget, opens the door to all kinds of federal interventionism in jurisdictions belonging to Quebec and the other provinces, and also widens the scope of its incursions.

As far as deficit-fighting measures go, we have seen better. All that the federal government could dream up was a merger of all of its transfer payments for health, social services and post-secondary eduction into one payment: the Canada social transfer. They hope to take on the deficit by offloading to the provinces.

For 1995-96, the transfer to the provinces will effectively be reduced by $2.5 billion; for 1997-98, it will be cut by $4.5 billion. If this transpires, Quebec's shortfall could be in the neighbourhood of $1.9 billion, if the distribution of the Canada social transfer is determined by the criterion of population. That, at least, is the criterion which would be most favourable to the government, as it would result in Quebec having to shoulder close to 42 per cent of the cuts in transfer payments for 1997-98. If the federal government were to continue using the current distribution method, Quebec's shortfall would still be approximately $1.2 billion.

The federal government would use these centralizing measures to relegate Quebec and the other provinces to a purely consultative role. At first glance it seemed as though the Canada social transfer would give the provinces the transfer money they needed to carry out their responsibilities, since the federal government would be withdrawing from areas of provincial jurisdiction, or so the government wanted us to believe.

In reality, the bill maintains the national health standards and provides for the addition of new standards in the areas of social welfare and post-secondary education. What happens if the provinces do not meet these standards? The government hits where it hurts, in the wallet. It will cut off their rations, like it did for our society's most disadvantaged: the unemployed and welfare recipients.

This is the point we have reached in this country. The government wants to impose national standards unilaterally in areas of provincial jurisdiction. The provinces—imagine that—will be consulted. Nothing in this bill requires provincial approval for the implementation of standards imposed by the federal government. This means that, in areas as sensitive as health and education, the federal government will be entitled to say to the provinces: "Your program does not meet national standards. If you do not arrange it the way we want, we will cut off funding". Not only is this government making unprecedented cuts to social programs, but it is imposing national standards in areas of provincial jurisdiction. I wonder whether Pierre Elliott Trudeau ever went so far? And this is no compliment to the current government.

Bill C-76 will enable the federal government to tell Quebec and the other provinces, at the end of unsuccessful negotiations, for example, that it is cutting them off if they do not accept its standards. It is just that subtle. In Quebec, the message will be understood as: "Toe the line or you are dead". Quebecers will choose this fall to suffer such humiliation or to form a country. Elsewhere in the country, people are not thrilled about the bill either.

Take for instance the Canadian Council which criticized Bill C-76 in these terms when it appeared before the finance committee: "If the federal government tries to impose national standards without giving the money that goes with it, it will simply get negative responses from the provinces".

This bill will have numerous deplorable effects. Let us take manpower development in Quebec for example. Bill C-76 will allow the Minister of Human Resources Development to go forward with his intention to grab the savings coming from his unemployment insurance reform in order to create a human resources investment fund.

• (1535)

And this fund will be used, among other things, for manpower training programs, a jurisdiction that Quebec has been claiming for many years under governments from all political allegiances. Students also will be hit. Since their grants will be reduced, universities will have no other choice but to increase tuition fees, which will force students to borrow even more.

I suggest that this government is a past master in the art of getting into debt. Yet, as far as I know, the federal government can no longer afford to interfere in provincial jurisdictions. Following the last budget, the government has made it clear that it intends to reduce its participation in the funding of Quebec social programs to about 28 per cent.

While footing only 28 per cent of the bill, the government still wants to assume the right to interfere in our business by imposing its national standards. Fortunately, by 1998, Quebec will have taken its own destiny into its hands. The Bloc Quebecois knows exactly what the Minister of Finance and this government are up to.

The bill has two objectives: first, to obliterate Quebec's claims in its own jurisdictions and, second, to hide from the people the truth about transfer cuts to the provinces and the effects that these cuts will have, especially two years from now.

Federal transfers to Quebec, and I want to specify here that this is Quebecers' money, taken from the $30 billion in taxes they sent to Ottawa, will be reduced by 32 per cent between 1994-95 and 1997-98.

The bill is a perfect example of what motivates us to want to become sovereign; this is plain interference, except that this time the government is going further than any other centralizing government has ever gone. We denounce that and the people will hear us.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I wish to thank the Reform Party member who allowed me to take the floor now, since I have to leave in a few minutes.

I am happy to address the House today on Bill C-76 at report stage. Since our arrival here in Parliament, we have seen this bill take shape. It reflects the whole approach of the government to transfer payments to provinces.

The government introduced over time a series of measures which affected and reshaped its approach. It started with a cap on equalization last year, which affects mainly Quebec. The amount has been estimated at $1.5 billion over the next five years.

Last year's budget contained cuts to unemployment insurance and also to what we call shared costs programs, that is post-secondary education and health. Cuts estimated at $2 billion had already been announced in last years's budget, and this years's budget brings further reductions totalling $7 billion, which will come into effect in the next two years, that is $2.5 billion next year and $4.5 billion the following year.

This year's reductions come on top of last year's cuts. The whole area of transfer or transfer payments to provinces has therefore been hit with massive cuts.

The government also tried to conceal the whole thing in the budget by presenting transfers to provinces, tax points and equalization payments all together. It mixed them all up in such a way as to give only global amounts and summarized data. From now on, the federal government will administer a new Canada social transfer that will combine all the amounts it contributed to CAP and the Established Programs Financing for post-secondary education and health. By these cuts, or the merging of these three fields in order to make one global cut, the government is hiding its true intentions.

• (1540)

The Minister of Human Resources Development had given some hints with his consultations and the rainbow series of papers he distributed. At that time, it was supposed to affect post-secondary education, among others. There was also mention of other sectors such as health, but that was still to come, since there were also consultations on that issue.

Now, in order to avoid debates such as this and not wanting to be seen as the culprit for having made all these cuts, the federal government says: "Let us add everything up and cut the envelope". This way, we can shift the blame to the provinces". We have a fine example of this in Quebec with the whole debate we are having about health care reform, which is aimed of course at improving delivery but is also motivated by cuts imposed by the federal government.

Because of these cuts, the provinces are forced to choose. The federal government did leave them some leeway. That is what they call decentralized federalism: "You must cut, but you get to choose where these cuts will be made". This is easier said than done, because at the same time the government is telling us: "You will required to comply with a number of principles arising from the Canada Health Act and, regarding social assistance, residency requirements will be excluded as grounds for denying assistance to an applicant". Basically, we are told that these are the only two conditions that will be maintained, the only two national standards that will apply to the Canada social transfer.

At the same time, the provinces are expected to develop other standards together. Upon further analysis, one realizes what the government means, and reads in the committee's report that it

recognizes the responsibility of the Minister of Human Resources Development to develop standards "through mutual consent". Also stated in the same report is the need to maintain an element of cash payment in transfer payments as part of the Canada social transfer because, in time, these could be reduced to nil. It says that a portion of the federal transfer payments must remain in the form of cash payments, so that it remains possible to tell the provinces how to apply these standards.

So, they have just confirmed what we suspected all along: there is indeed a strong desire to maintain national standards through this new Canada social transfer. The bottom line is that the federal government will reduce transfer payments and that there may be more federal standards than before, since the federal government may now impose post-secondary education standards.

We know very well what happens during these discussions, when 10 or 11 people sit around a table to try to define national criteria. There is often a lot of energy spent with few results and, at the end of the day, the federal government prevails through financial blackmail. Other decisions will have to be made by the federal government in coming years.

We are still waiting for the reform of the goods and services tax, the notorious GST. The federal government still leaves itself a way out and room to manoeuvre so that it can impose its vision in future talks with the provinces. I remember being a guest on a radio show the day after the budget. Since the Minister of Human Resources Development was interviewed just before me, I was able to hear what he said. He candidly told the host—who was asking him if he was sorry that the federal government would no longer exercise control and impose standards in sectors affected by transfer payments—that, on the contrary, they would have more control than ever. This shows that what Liberals say here in this House and what they tell other people are two different things. I tend to believe what the minister said on the radio, that he did want more control and that the federal government would have more control in the long run.

I want to link this to a number of things, to a speech by the Prime Minister that has been somewhat forgotten. I remember when the Liberal Party held its convention in Trois-Rivières, in eastern Quebec. At that time, the Prime Minister accused the Quebec government of not caring about poverty, once again using his old theme about how that government was only concerned about separation. The fact is that we care a great deal about poverty and we ask: Who will be affected by these cuts? Think about it for a moment. Who will be affected by these cuts to social assistance, to post-secondary education and to health care, which come on top of cuts affecting the UI program? We have to take a close look at this issue.

The government waxes eloquently about job creation, but it takes measures which will adversely affect people.

• (1545)

These measures will hit Quebecers even harder, because of a series of decisions made over the years by the federal government regarding spending in a number of sectors, including research and development. As we often said in this House, we feel that, because Quebec did not get its fair share in these sectors, it was forced to become more dependent on welfare assistance and unemployment insurance.

I am not proud to say that Quebec has the largest number of welfare recipients or unemployed. We are not proud of that, and this is not the kind of financial assistance which we seek from the federal government. If another approach had been used in the past, the situation might be different now.

But this is not the case, since we were adversely affected by a series of decisions on structuring expenditures. In the past, at least the federal government would say: "We know what we did to you, but we will compensate you for that". Now, this government says: "In addition to that, we will cut the compensation which you used to receive". This is not the kind of money which we want, without increasing the rest and without giving us the means to do something about it. Just think of manpower training and the fact, as was mentioned earlier today, that the federal government will simply not let Quebec assume control of that sector.

This is a strange approach. There are also other financial cuts which will have an impact. For example, in the first year, that is next year, transfers through the Canada social transfer will be reduced by $2.5 billion, which means that Quebec will be deprived of some $650 million. In the House, ministers and the Prime Minister himself said it would probably be $300 million or $325 million. Officials who came before the committee said it would be $625 million, which is much closer to the $650 million that has been mentioned since the beginning.

If that is another illustration of this government's mathematics, it is easy to understand why people are often suspicious of its management and decision-making processes. They have their own way of calculatiing things, as ministers and the Prime Minister showed when they talked about $325 million for Quebec, while everybody knew that it was really $625 million for the first year.

As regards the $4.5 billion in the following year, the criteria for the breakdown of these cuts are still to be negotiated. Otherwise, Quebec would have to contribute $1.2 billion. But we will renegotiate, and one approach that is strongly favoured is a breakdown according to population. Under this approach, Quebec's share would be $1.9 billion.

So, the criteria change will most probably penalize Quebec. It will certainly not favour it, given that the provinces requesting this change are complaining that Quebec is overcompensated in comparison to them, Ontario in particular, which will come to the

table, according to what is reported these days, with a Conservative government, whether liberal members like it or not, which could seriously complicate the picture. So, that is how things stand right now.

In short, I will resume my speech by saying that we will end up with less money, provinces will get less money, standards will be forced on them, some pretty high standards that they will have to observe under difficult economic conditions. No doubt about it, this is shifting the financial burden to the provinces.

When the taxpayer takes a look at the federal government's books, he will find at first sight that there is a slight improvement, but he will feel a deterioration elsewhere. Either he will have to pay more for some services, or he will be hit by the cuts made by provincial governments. The situation will be a real headache for the provinces because they will always be caught with this whole intractable approach imposed on them, the compliance with national standards.

That being said, I understand there is some concern in Canada because of the rise of the right in the area of social policy. We see it in Alberta, and even here in Ontario now. In Quebec, we do not have that problem, so people there are not afraid, and are not asking the federal government for national standards.

It this system were flexible enough, we would have an asymmetrical solution that would be different for Quebec than for the rest of Canada, but here we have a Canadian vision which does not give much recognition to the specificity of Quebec on that issue.

The time to decide will soon be here. Quebecers will be able to choose other models and other approaches in a public debate, even though our mind is already made up in that regard. The Prime Minister says he is concerned with the neediest, but if he wants to keep some credibility when his government tables its record, he will have to explain why he attacked mostly the unemployed, the welfare recipients and the students since he took office.

• (1550)

I can hardly believe he really feels any compassion. We have his words, and then we have the facts. Here, we are faced with facts; that is what we are looking at, and we are very disappointed.

[*English*]

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I appreciate the accommodation in switching the speaking order.

The motions I am addressing today relate to the Canadian health and social transfer. This transfer was one of the more controversial aspects of the latest budget as it transformed the whole system of federal transfers to the provinces.

The transfers were represented by the finance minister as being more flexible in approach. In his budget speech the finance minister stated: "Provinces will now be able to design more innovative social programs, programs that respond to the needs of the people today rather than inflexible rules".

When that statement is considered on its own, it almost seems as if anyone can identify that as being something positive, constructive, et cetera. The provinces will be allowed to be more innovative and will indeed have fewer rules, therefore becoming more flexible.

I wonder what definitions are meant by innovation and flexible and how they are actually applied. Does it suggest it will allow the provinces to have more control over management of the programs and be able to adapt programs to meet the specific needs of residents in their area? Of course, innovative would be to create the programs.

The minister goes on to state: "However, flexibility does not mean a free for all. There are national goals and principles we believe must still apply and which the vast majority of Canadians support. Our goal must be to combine greater flexibility with continued fidelity to those principles".

This suggests that the government will still be making and interpreting the rules and that the provinces will abide by the decisions and interpretations. Therefore, they will have to be flexible to adapt to less money because this is very suggestive that there will still be federal control over it. Yes, they will become flexible in that they will have to adapt to providing innovative programs on less money.

We cannot have it both ways, especially based on this approach. On the one hand the federal government says it will allow greater flexibility, but on the other hand it is going to enforce the national standards.

The finance minister continued his speech with a commitment to maintain the five conditions of the Canada Health Act: universality, comprehensiveness, accessibility, portability and public administration. Then the minister proceeded to outline the cuts in the transfers to the provinces under the new Canada health and social transfer. This is an excellent illustration of how the federal government is failing to address the fundamental problem now facing health care in Canada: declining federal financing combined with a lack of provincial manoeuvrability.

Also in the red book there is the statement: "The Liberal government will not withdraw from or abandon the health care field". We are talking about semantics or the meanings of words. We talk about flexibility. Flexibility how? We talk about being innovative. How? Here we talk about withdrawal as well. Withdrawing or reducing finances can be interpreted as withdrawing

from the program as we knew it in 1993. Therefore, we have another broken promise if we interpret the word withdraw that way.

At this time I would like to provide a little background on the subject. Under the Canada health and social transfer, the funding to the provinces will be reduced from what it otherwise would have been in 1996-97 by $2.5 billion. It will go down to $26.9 billion. That tends to suggest to me a withdrawal of funds from health care. Of course, it is going to make the provinces innovative and flexible in trying to find programs which will meet the needs of the provinces based on less money. It is going to be further reduced from what it otherwise would have been in 1997-98 by $4.5 billion, bringing it down to $25.1 billion.

• (1555)

That is not a complete representation of the total effects of the cuts in the last budget. When discussing the value of the transfers to the provinces under CAP and EPF, the government decided to include the value of the tax points which were transferred in 1977. This component of the transfer is not and never has been a budgetary item. The value of the tax point transfer is not included in the budgetary expenditures, nor is the forgone tax revenue deducted from the budgetary revenues. We begin to wonder whether the tax point transfer was included in this whole process just to mask the depth and the significance the reductions which are proposed in this transfer to the provinces will actually be.

The cash transfers to the provinces are scheduled to fall from their 1994-95 level of $25.2 billion to a 1997-98 level of $19.9 billion. Included in the cash transfers are two components: the equalization component and the CHST component. Over three years the equalization payment will continue to grow. It will actually grow from approximately $8.3 billion in 1994-95 to $9.6 billion in 1997-98. On the other hand, funding for Canada health and social transfers will be reduced by $6.6 billion, from $16.9 billion in 1994-95 to $10.3 billion in 1997-98.

When we get through all the jargon and the process of what is actually happening and try to figure out what the bottom line is, and when we consider the components of cash transfers, tax points, the CHST component, the equalization component, the CAP component and the EPF component, what is actually going to happen? I sat down and tried to pull this all together. It looks like this will represent a 39 per cent cut over this period of time to 1998 in federal cash transfers for health, advanced education and social assistance as they are now being lumped into a block program.

When we start to think of the diminishing cash contributions, the key question which comes to mind is: How does the federal government hope to enforce the national standards in health care if the cash contributions are diminishing every year and what will happen when they get down to zero? That is where clause 51 comes into play. It allows the government to withhold any transfers, such as those going to advanced education or social services, based on its interpretation of the province's behaviour in relation to health care, or whatever it is. That is a threat to the provinces.

In any given year, based on a judgment of the government, transfers can be withheld from the provinces. Again, it must be flexible because now it will affect the other two components as well. Of course, there will be more people upset, which will also apply pressure.

The whole process is totally unacceptable because the control is being kept by the federal government instead of being decentralized to the provinces and closer to the people who are actually receiving the care. That is why my hon. colleague from Lethbridge has introduced the amendments which would prevent these kinds of contradictions and I fully support them.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I usually start my speeches by saying that I am very happy to get up to participate in the debate, but I would like to begin my speech today by saying that I am downright annoyed. This is the worst time we could have in Parliament; we are given a limitation of time to speak about the things that are the most important to Canadians.

• (1600)

I was asked not long ago what is wrong with Quebec. I said nothing. I was asked if we have a problem with Quebec, whether it wants to leave. We really do not have a Quebec problem; we have an Ottawa problem. That is the essence of the whole debate today. The federal government is intruding on these areas of provincial jurisdiction by our Constitution and by its use of the spending power intruding on our freedoms right across the country in all provinces.

I even admire Quebec for bringing the issue to a head to this degree by saying Ottawa should wake up and listen to the people of Canada. We are being asked today to give formal assent to a budget which perpetuates the problems Ottawa has been imposing on Canadian citizens, taxpayers, for several decades now. It is time for this to be corrected.

Does not the Constitution clearly say health care is a provincial jurisdiction? I believe so. The history of health care shows that originally, undoubtedly with good motives, the federal government felt it should tax all Canadians and then give the money back to the provinces based on their populations. There was a new plan put out.

In the same year I was married Saskatchewan started a provincially funded health care system. At that time doctors in Saskatchewan were striking because they did not want to have government intrusion into the health care system. It started in Saskatchewan. On our marriage my wife and I moved to Alberta. At that time Alberta had its own private insurance which was inexpensive and

very thorough. We had moderate medical costs covered by medical services incorporated. We were very happy.

However, this virus of thinking that only the government can do things well continued to spread across the country until finally Canadians have now come to accept that we want to have government funded health care. Somehow there is a transition. When governments cause something to become legal and required by law, it then gains a certain degree of public acceptance.

Now we have accepted that all of us will pay through taxes, and in places like Alberta through health care premiums, for our health care coverage. We also expect that if we need health care it will be available for us, just like in the old days before the government was involved. Is that happening? No.

More and more we are hearing from our constituents about long waiting lists, certain procedures that are deinsured. The elderly, who certainly have paid taxes and participated in our country all of their lives, surely as contributors to that degree are now entitled to their share of what they have provided for others. They are now being denied even to the point at which there are some people suggesting older people ought to be put away because they are to much of a drain on the health care system. What a shame.

In this bill we find an intrusion by the federal government, thinking it can tax all of us and then limit not only what it is providing for us but also our ability as individuals in our provinces to do what we can with the diminishing resources.

• (1605)

Both those premises are wrong. Both fail the test of common sense. Both fail what Canadians want, an efficient health care system funded publicly but under the control of provinces. They would have better control.

I always say to people in Elk Island and generally in Alberta that whenever they want to favour government funding to think about the fact that probably—I do not have the exact numbers here—for many of these programs we are fortunate if we get back 10 or 20 cents on the dollar of what we send to Ottawa. We would be a lot better off without Ottawa intrusion. We would be a lot better off if Ottawa buts out of this problem. It is not solving the problem, it is the problem.

I strongly endorse the amendments my hon. colleague has promoted in order to fix the flaws in this bill. I am very concerned that in our society we need to meet the needs of those who cannot look after themselves. To a great extent that includes people who are ill. When people are ill or when they become aged usually they are unable to continue working. Many do not have a portfolio of investments to provide income.

I agree with the consensus of Canadians that we are a compassionate society and we will help to meet needs, whether social welfare needs or health care needs.

Certainly we can pull together in meeting the needs of those who are needy. It is an absolutely false assumption that the best way of doing that is to set up two, three and in some cases four levels of bureaucracy in government that eat into our tax dollars and deliver but a portion of that in benefits to citizens needing it.

We need to do this job much better. We need to become efficient. We need to reduce the amount of bureaucracy and control from the federal government. I am not convinced at all that as we decentralize things will get worse, as the Liberals claim. Things will get better because there will be a smaller financial drain on us in total, there will be closer control with more local politicians and more local bureaucrats basically forced to listen to the people. In total we will have a much more efficient system and the needs of people will be met better at less cost. That will also have a positive spin on our total economy.

I could continue to wax eloquent on this for some time because it is an issue that concerns me greatly, one that needs real changes by the government. I will not hold my breath waiting because I know if I hold it too long health care may not be there to help me.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the bill on the Canada social transfer calls up the image of an old spent horse on its last show. It has been very useful and appreciated in the circus, but it is on its last legs. Yet, the owner wants to keep it going a little longer with some garish costume.

Throughout the sixties and the seventies, the whole issue of interregional equity was at the center of the public debate. I think a very big mistake was made from the start, with the confusion between the provision of a safety net for all Canadians and the real need underlying the goal we should have had, which is to provide an adequate economic and social development so that all Canadians can have a decent life in their own regions.

• (1610)

Unfortunately, with the decisions we have made and the fact that we have been living beyond our means, we reached a point where the Canadian government had only two alternatives in a federal context. The first one, which was chosen, was to announce cuts and offload them to the provinces, while saying: "Let them handle the problem. They are on the front line. We are going to save our political hide".

Second, the Liberals have been unable to carry their argument to the limit and to say: "If we cut provincial transfers, we cannot set national standards, because we cannot reduce our financial assistance and still impose national standards". But the current government has not been able to come to that conclusion, because it is actually made up of many, many members who greatly miss

Trudeau and the years when the Liberal government believed that, by borrowing money right and left, it could solve problems throughout the country. We now realize that foreign lenders can no longer wait and they urge the government to take a stand.

So, in order to satisfy foreign lenders, the government is cutting its spending, even though it still argues, on a philosophical and political level, that national standards are needed. This would perpetuate one of the most significant costs of federalism, linked to all the quarrels and the bickering between the two levels of government. Some people say that the province of Quebec is always complaining about this situation, but look at what is happening in Alberta. Over there, the provincial government is making choices, even though its direction is controversial, and at this end, we have the federal government telling Alberta: "No, you cannot make these kinds of decisions; they go against the national standards".

The province of Alberta has a valid argument. It maintains that, since the federal government is investing less and less money, it does not have such a strong say in the matter any more. The federal government should realize this and change its attitude. The people who are watching and also the members of the government and of the other opposition party should carefully consider what the position of the Bloc Quebecois is.

The Bloc Quebecois suggests that the federal government withdraw from areas of jurisdiction in which it systematically intervened for many years by injecting large amounts of money and by creating false expectations. The federal government should withdraw, but, at the same time, it should fully compensate the provinces by means of a tax point transfer. This would be a positive incentive for each province to make the most of the little it receives, and keep some for other activities, thereby ensuring better regional development.

Of course, this suggestion is made with a federalist vision of Canada's future. If we wished to maintain this old federation, for a few more years at least, this is the type of solution we should adopt. I believe we should at least try to save something from the wreckage. In Quebec, unfortunately for the Canadian federal system, we have had it with these partial solutions and we believe that the real solution is for Quebecers to have full control over their tax money, which now goes to Ottawa but which, in the context of sovereignty, would go to one place only, Quebec City. With full control, the Government of Quebec would be able to develop much more structured programs better able to reach their objectives.

We are often asked this about the bills on which we vote: "You make beautiful speeches on policy issues but how are we affected by this?" I would like to take the opportunity—I feel compelled to because of the time allocation forced on us by the government—to draw the hon. members' attention to a rather treacherous aspect of Bill C-76, which is an omnibus bill. With clause 69, 3,000 resistance veterans will lose their eligibility to some pension benefits.

• (1615)

What is even more devious is that there will no longer be compensation for those who want to be heard by a review panel. Just imagine in what situation veterans will find themselves. Today, most of them are getting on in years and their physical and mental health has been seriously affected by their years in service. Their country wanted to give proper recognition to their contribution by trying to compensate them for what they did for the nation. But today, surreptitiously, the government is going after these people through an omnibus bill. Temember, they are not millionaires.

For example, I met elderly couples in La Pocatière or in Pohénégamook, in my riding. These people do not necessarily have access to a physician close to their home and often have to travel considerable distances when required to undergo a physical. The cost of a medical examination used to be covered by the Department of Veterans Affairs. But, when Bill C-76 is implemented, we will have a situation where these people will no longer be entitled to the partial reimbursement of some of these costs. It will become strictly a regulatory matter. Once again, Canadians who are in a somewhat difficult situation will have to pay for the financial pressures that the government is under.

I think that the government could have been more open-minded and could have realized that, on top of what they did for their country, veterans are in the last stage of their life. I find it very petty to put such a burden on these people who are not necessarily used to finding their way through the bureaucracy in which we work. It shows a total lack of respect for human dignity.

I wanted to use this example so that members would realize that Bill C-76 will have repercussions on the daily life of Canadians. And I am talking about ordinary people. I used veterans as an example, but the cuts that will be made with regard to the Canada health and social transfer—some $560 million next year in Quebec alone—will have an impact on all kinds of people. There will be repercussions of this kind on students, seniors, and social assistance recipients, because these programs were partially funded by the federal government in the past, and if the federal government cuts its contributions, the provinces will be forced to take a much more restrictive stance.

It is important for Canadians to know that the decisions that the provinces may have to make will only be the fruit of the mismanagement by the federal government, which opened up the floodgate for years, using borrowed funds, and imposed duplicate programs on provinces. The result of this today is that we must face a new, very simple reality, which is that Canada no longer has the means to support all of the social programs it used to offer, not necessarily

because the programs were inherently irrelevant, but because they were superimposed on programs that the provinces were already offering. Many useless expenditures on overlaps could have been eliminated had the federal government only reached an agreement with the provinces, ensuring that the changes were made in co-operation with them.

In conclusion, I would like to cite the example of the summit on health. This would have been a good opportunity for the federal government to ensure that the provinces would participate in the debates on health care, instead of imposing cuts and leaving each province ultimately to fend for itself. This is also an example of the current system's downfall. People are unable to pinpoint where their tax money is actually going. This is one of the reasons that I think that, after judging Bill C-76, Quebecers will see very clearly that their only solution is to opt out of the Canadian system.

• (1620)

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Canada social transfer is the very expression of a budget that shows two faces: what it says and what it does. The government boasted that it had kept its spending under control. There was some applause, and some people said the government "showed courage".

In fact, the government merely made a couple of transfers—not money but budget cuts—and above all, it transferred its problems to the people. It has to be said. It has to be said that after all the speeches and boasting, what it comes down to is that there are people who will suffer as a result of these cuts.

So was the debate about finding out whether these were the right places to cut? No. The federal government looks after its own budget and leaves the provinces to look after theirs, with the results depending on whether they are rich or poor. This year, Quebec had the doubtful privilege of having the highest poverty rate, and it can look forward to being severely hit by the cuts in the Canada social transfer.

In what way? It will suffer the effects of more than $50 million in cutbacks for the coming year and the year after, perhaps at least $1.9 billion. Who will be affected in the long run? People will be affected because they are sick or have fewer social services. Because fewer services will be available, some people's education will suffer because it will cost more. People on welfare will be affected as well. And if a province does not want to transfer these cuts to its citizens because it feels they are too substantial, it may have to ask its people to pay more. That will be up to the provinces.

The Canada social transfer is typical of this budget because the central government can say it has done its share to bring down the deficit, while the provinces are stuck with the real cuts and their people are stuck with the problems. Meanwhile, the central government is making sure that the UI fund is running a surplus. The government expects a surplus of $5 billion, $5 billion more in premiums than benefits.

With its Canada social transfer, the central government, after cutting funding to the provinces to the bone, creates problems to the extent that individuals and the provinces will have no choice but to try and deal with the situation and then the UI fund can be used as a powerful tool by the federal government to intrude in provincial jurisdictions, because the provinces will be pushed to the limit.

• (1625)

This is why I say the budget is two-faced. The government says it is giving provinces flexibility. What flexibility exactly? I would like to know what sort of flexibility it is, when the provinces are forced essentially to slash all programs.

And I have yet to discuss national standards. I will conclude on this point. Not only is the central government cutting, plunging the most disadvantaged provinces into an utterly impossible situation, not only is it positioning itself to anticipate the next recession and force the provinces to come and eat out of its hand, it is quite simply announcing that it will continue to impose common goals and principles and that it will use these transfers to impose, to promote—and that is the word it uses—its common goals and principles.

When the government talks of promoting goals and principles under the Canada social transfer in federal legislation, legislation that will in all likelihood never come before the courts because it is short term, we can assume it has powerful ways of imposing standards.

What is more distressing is that, up to now, no conditions of any sort were ever attached to post-secondary education. It was so clearly a matter of provincial jurisdiction close the heart of Quebec that there had been nothing like federal standards, which seemed unthinkable, out of the question, impossible. Yet, this so-called flexible bill provides that the federal government will encourage the provinces to establish common goals and principles in health care, post-secondary education, welfare and social services.

What is not said is that, for these goals and principles to receive federal approval, they must be reached unanimously. The government has refused to say that unanimity was required, and we did ask repeatedly.

We find ourselves with a government which tells us that it will ask one of its ministers to bring together the provincial ministers to

try to agree on common principles and objectives and to use the transfers to promote these common principles and objectives.

When we say that, the government gets very emotional and argues that we are mistaken, that it simply wants to be flexible. Nobody can believe that it is flexibility that the government has in mind. Nobody believes it because each time the government has been blasted by the rest of Canada which wants national standards, its answer has always been: "Yes, we have asked Mr. Axworthy to meet with the provinces and we want national standards".

To conclude, I will say that this is a two-faced budget, that the government has two objectives: to smother the provinces and to dip deeper into the unemployment fund, which comes from the pockets of workers and businesses. The government claims that it wants to promote flexibility for Quebec in order to soften us Quebecers before the referendum, while in fact it is getting ready to use the Canada social transfer to promote its own principles and objectives.

• (1630)

In so doing, the government will reach both of its goals, which are certainly not aimed at decentralization but rather at the development of a new Canada, made in Ottawa and without any consultation. Step by step, bit by bit and bill by bill, even though it denies any intention of changing the constitution—it killed the Meech Lake agreement after all—the government is preparing a new Canada nonetheless. And, judging by what is happening in Quebec, where the Quebec government must make painful cuts in health care services, education, social services and welfare, in this new Canada, the central government will receive loads of money coming from unemployment insurance premiums, from the citizens in fact, and it will use this money against the citizens of Quebec.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I will be sharing my time with my colleague from Esquimalt—Juan de Fuca. We will speak for approximately 10 minutes each.

The Deputy Speaker: The hon. member, being a grandfather-to-be, may not realize that there is no sharing of time. They are 10-minute speeches. There is an agreement between the two parties to have two speakers from each party.

Mr. Harris: I stand corrected. I am pleased to rise today to speak to Bill C-76 regarding the implementation of certain provisions of the budget tabled last February. The areas I want to speak to primarily deal with the motions we put forward concerning provincial transfer payments, the health act, social transfers and transfers in support of post-secondary education. They are contained in Motions Nos. 28, 31, 33, 35, 46, 49 to 55 and 57.

The motions are broken down into basically three categories. It is fair to begin by talking about the government's ability to continue to fund programs in the way it has in the past.

Unlike the Bloc Quebecois, Reformers realize that the government is having some severe cash problems. We are not asking the government to start borrowing a whole bunch more money to continue the funding of the programs at the levels we were accustomed to in the past.

We owe about $500 billion and our interest payments are far more than all the programs put together, but the government is cutting back its transfer payments in support of the programs. There is no doubt about it. Transfer payments in support of health care to the provinces have been declining. There is no reason to believe that sooner or later it will come to the point where there will be no federal money going to the provinces.

I suppose this would be all right if the provinces were allowed, as the funds were withdrawn or diminished, to have a say in how the health care systems within their provinces were to be run. That would include the provinces having some flexibility to come up with creative funding plans to make up for the moneys they will not be receiving from the federal government.

• (1635)

In some provinces, particularly Alberta, private enterprises have gone into the health care business. The most well known is the Gimble eye clinic in Alberta, a much needed service. It is a very busy place. People are going to the clinic because they cannot get the same kind of treatment on a timely basis through the public health care system.

Now the federal government looks at the private enterprise, this much needed and much used service, and says that it is against the Canada Health Act, that it cannot operate any more, and that if it does the government will cut back on funding.

In B.C. there are a few people making movements to provide portions of private health care in different areas. The federal government is pulling back the transfer payments and funding. I know it has to do it because it does not have any money. It disturbs me that at the same time, notwithstanding that it will not be giving the money, they cannot do anything about it to replace the services they will not have any more. This is grossly unfair to the provinces.

Another part of the bill that really disturbs me is that the government has decided to put itself above what we would consider a judicious procedure in determining whether a province has violated a portion of the Canada Health Act. In other words it is giving itself unilateral powers in the bill to determine whether a province is allowing something to go on that violates stipulations in the Canada Health Act.

It has given itself the unilateral power to decide what the financial penalty shall be. This is placing itself above what we normally would expect would take place in all fairness in a court of law.

Our amendments would force the government, if it believes a violation has taken place, to put the case before a court of law to let a judge decide whether or not there was a violation and if there was exactly what penalty would be payable.

I get concerned when I see such words in government bills, orders in council, governors in council and orders in cabinet. The Liberal government, as did the Tory government, introduced legislation that made it boss. Notwithstanding the arguments that could be put forward by the opposition parties representing their constituents and protecting the interests of the people of Canada against unfair legislation, and notwithstanding that this is supposed to be a House of debate, the government is constantly slipping in provisions in the bill that would allow it to unilaterally make decisions affecting all citizens of Canada.

Where there is no provision for the people of Canada to be protected against bad legislation or bad judgment on behalf of the government of the day, it is treading on democracy. We really object to the fact the government can make not only unilateral decisions but arbitrary decisions that in many cases may not be sound. The decisions may have a profound effect on Canadian people so we have put forth some amendments to deal with it.

• (1640)

We also have a problem with clause 48 that uses the phrase by mutual consent in the context of additional national standards and criteria. The bill would permit the government through discussions with some or all of the provinces to come to a mutual consent with some of them. It would allow them to create a national standard which could be imposed on provinces that did not provide mutual consent to the national standard.

We have introduced some amendments to prevent the federal government from imposing national standards, for example in the case of welfare, without the consent of all provinces. It is simply not fair that a government can arrive at an agreement with some provinces and impose the agreement on all provinces.

My last point deals with the creation of the Canada health and social transfer. The government has put all health funding, welfare funding, Canada assistance plan funding and post-secondary education funding in one basket. It is saying that it will be considered as a lump sum. It has done this for a particular reason. It knows the problems it is running into with the Canada Health Act. It knows the Canada Health Act is redundant at this point. It is simply not working because there is not enough money to fund the plan we have come to know and love and now cannot afford.

As funding for health care in Canada is diminished, I believe to a point of zero in the future, the government will have no stick left to impose a demand on the provinces that they stick to the Canada Health Act. Provinces like Alberta, B.C. and Quebec or any other province might want to be creative in raising funding to raise the quality of health care in their provinces to a level people want. With no funds left in the Canada health transfer payments the government cannot impose any penalties because they are not paying it any money.

It has taken the Canada health payments, the Canada assistance plan payments, the welfare payments, and the post-secondary education payments and put them all into one big basket. If a province wants to get a little creative and flexible in providing health care and in the eyes of the government violates the Canada Health Act in some way, the government makes a unilateral decision that the province is in violation of the sacred Canada Health Act which does not work any more in any event.

The government will have the power to withhold funds from the Canada health and social transfer that now includes post-secondary education, social welfare and the Canada assistance plan. In other words if the province violates a provision of the Canada Health Act in the eyes of the government, the government can hold back money for education and welfare.

We may wonder whether the government has any sense of fairness. We are hearing the same old story: the group wants to keep control in Ottawa and anyone outside Ottawa is considered an additional player and made to toe the line.

• (1645)

We really oppose the fact that the government has purposely put in these clauses in order to get a bigger stick to keep the provinces in line under the Canada Health Act.

We propose to delete a section of clause 51 that would allow the federal government to withhold equalization payments and other provincial transfers for violations under the Canada health and social transfer programs. In other words, the amendments we are proposing to the clause would take away this big stick that the government is so conveniently putting together.

I have spoken about the three areas of my concern on some of these amendments I am putting through. The thing I want to close on is the fact that our social safety net is in deep trouble in this country. The Liberal government under Prime Minister Trudeau introduced a social safety net that was the Cadillac of all plans. We started out driving a Cadillac in our social safety—

The Deputy Speaker: The fault is that of the Speaker. I did not realize the time had expired. I am thankful that members reminded me that his time had expired.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure to speak on group four of the motions on Bill C-76, the report stage. A lot of this has to do primarily with provincial transfer payments for health care and education.

I would like to point out to the House something that is perhaps not recognized: we do have a serious problem in health care in Canada today. Recently in the news it was stated that medicare is essential to the identity of the government. That is good, because it is essential to the identity of all Canadians. Unfortunately, this government does not recognize that in this country health care is in dire straits.

Recently we have seen some tragic statistics of people dying while on waiting lists, waiting for essential health care services that this government and governments across this country should be providing to the Canadian public. Just this last weekend we heard about 25 individuals who died while on waiting lists awaiting surgery at the Ottawa Heart Institute.

In my province of British Columbia, if you have prostrate cancer you can wait over a year to get ultrasound therapy. As a result of this, patients in British Columbia go to the United States in order to get this essential service. In fact, what we see in the United States is a whole industry built up around Canadian people who cannot have their essential health care services met and therefore are forced to go to the United States. It is in fact the Canadian taxpayer, through the medical services plan of British Columbia, who pays for that.

This is completely unnecessary, as we have the skilled individuals in this country who can do this. It is just a question of changing our priorities.

One of the sad things that happened as a result of the last budget was that over $6 billion was ripped out of the heart of education and health care by the federal government. As a result of that, the provinces are now somehow going to have to make up the shortfall. The result is an impossible quandary. You simply cannot pay for what the taxpayers are asking for and the demands of health care in this country through the moneys that are now provided.

What we are going to see in the future are many more tragic cases of Canadians who are dying while on waiting lists, waiting for essential health care services to occur.

We in the Reform Party propose a number of motions relating to Bill C-76. First is that we remove the government's ability to unilaterally decide what constitutes a violation of national standards and to unilaterally decide what the financial penalty should be. To remedy this we have proposed amendments that would force the federal government to take provincial governments to court in order to determine what the violations are and whether there should be any penalties. Second, we have put forth motions to prevent the federal government from imposing additional national standards without the consent of the provinces. Last, we are trying to move towards a situation where we have unconditional transfers of health care and education dollars.

• (1650)

I reiterate that it is impossible for Parliament to unconditionally remove money from the provinces and expect them to meet the demands of their citizens. It simply cannot be done. Tragically, the Canadian people do not realize this. Unfortunately, in the next federal election this will haunt all of us, because people who are on waiting lists are going to die.

We propose a different solution, which will meet the needs and the objectives of having a medicare system for all Canadians and put it on firm financial ground.

We do not want to destroy health care in the country. We do not want to destroy medicare. We want a new Canada Health Act, unlike what they have in the States, unlike what is in the United Kingdom—one made in Canada. It would entail defining essential health care services and ensuring that all Canadians across the country will have their health care services covered, regardless of income.

Second, we must amend the Canada Health Act and allow the provinces to get their health care dollars under control. It is very simple. If we allow private clinics it creates a two-tiered system. But what happens if as a patient you want to pay for an MRI on your knee or your neck? You go to a private clinic and private dollars are exchanged into private hands. Not a cent of taxpayers' dollars goes into this. Sure people will get services perhaps faster than in the public system, but that would enable you to get off the public system into the private system. So those people in the public system would receive health care faster and more efficiently because they would move up the waiting list. There would also be more money in the system on a per capita basis.

This is not a threat to medicare. Rather, this an adjunct to medicare, which will help it. Would it be a two-tiered system? Yes. But is it not better to have an unequal system that provides better and more timely access for all Canadians than a relatively equal system that provides poor access to essential health care services? The choice is very easy.

Another aspect I would like to address is to ask the federal government to take a leadership role in health care in analysing the determinants of health care in Canada. We often put forward grandiose plans of studies on many things, but nobody actually takes the bull by the horns and tells us what makes up health care in the country.

I will give some solutions. One thing that is in greatest neglect is the fact that in early childhood education, children aged from two to five years, the pillars of a normal psyche are developed. The pillars of good health are also developed. We do not put enough emphasis on that area. The emphasis we can put on that area will actually pay off in spades later on in the health and welfare of the adults.

I would argue that we should put more emphasis on teaching children, at that age, not only their ABC's, but also teaching them about self-respect, pride, respect for other people, and appropriate conflict resolution. These things can be done. Although we take it for granted that many people know this, we would perhaps be very surprised to find out that in some dysfunctional families and in the lower echelons of the socio-economic groups, these things are actually unknown. Some children have not grown up with this, and some have grown up in very tragic situations indeed, where the givens of a normal psyche are not there. Many children and parents do not know this.

I would ask the government to look at an interesting experiment that was done at Columbia University. It took over an inner-city school board that was wracked by violence, sexual abuse, drug abuse, teen drop-out rates. It focused on the aspects of teaching self-respect, et cetera, in the early years and found out that it paid off in spades when the children grew up.

• (1655)

The other aspect I would like to focus on is something on aboriginal health care. I would seek to support some of the ideas I have had on aboriginal health.

We have created an institutionalized welfare state in many aboriginal reserves. By continually pouring money into the aboriginal reserves we have not succeeded in addressing some of the underlying problems that are actually behind the sexual abuse, violence, and the general malaise of the soul that we see on many reserves.

I would say let us focus on enabling the aboriginal people to take care of themselves. Let us put the responsibility for their destiny back on their shoulders. Let us help them to do that. Let us help them to call their own shots. Let us put an end to the institutionalized welfare state that we have set up.

More money is not the answer. Giving people the tools to help themselves is. I would strongly urge this government to do this in the name of health care for all aboriginal people.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of the adjournment is as follows: the hon. member for Frontenac— bovine somatotropin.

Debate resumes with the hon. member for Quebec.

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, the present federal government is obviously trying to lead people astray. To illustrate this, I will, if I may, quote from a statement made by the Minister of Intergovernmental Affairs, on March 31, during Question Period.

Answering a question by my colleague, the member for Saint-Hyacinthe—Bagot, on the Canada social transfer, the minister said this:

> The Bloc Quebecois just keeps stating a position contradicted by facts, by the budget and by reality.
>
> I can only repeat what I said earlier, namely that the budget is clear, that the requirements for social assistance have been reduced, that, if any standards are established, they will be established by mutual consent. It is very unfortunate that the opposition informs the people of Quebec soo poorly on such major issues.

Several aspects of this statement deserve that we go back to them. The first one is that the minister, the member for Hull—Aylmer, blamed the Bloc Quebecois for misinforming the people. Let us keep this in mind, as I will mention it again in my conclusion.

The second aspect is that requirements for social assistance have been reduced. The third one is that, if standards are established, they will be by mutual consent. Let us analyze these two points before we deal with the Canada social transfer.

As far as requirements for social assistance are concerned, the minister said that they would be reduced. Let us see what is happening under Bill C-76. Clause 48 is key to the bill as it creates the Canada Health and Social Transfer. It provides for the terms of application of the transfer. Under subclause (1), it states the three objectives of the Canada social transfer, namely: financing social programs, maintaining national conditions relating to health care, and maintaining national standards relating to other social programs.

It should be pointed out at this point that clause 53, which applies to clause 48 I just mentioned, states that social programs include programs in respect of health, post-secondary education, social assistance and social services.

The Minister of Intergovernmental Affairs had the nerve to say in this House that requirements for social services would be reduced. This is what I call deceiving people. Far from being reduced, their number is increased. There are new constraints, new national standards being imposed, to be developed in accordance with clause 48, paragraph 3.

This provision clearly states, and I quote:

> The minister of Human Resources Development shall invite representatives of all the provinces to consult and work together to develop, through mutual consent, a set of

shared principles and objectives for the other social programs referred to in paragraph (1)(*d*) that could underlie the Canada Health and Social Transfer.

It could not be put any plainer than that. There will be national standards and these national standards will concern post-secondary education, social assistance and social services.

• (1700)

We already had national health standards; now, standards will be introduced in the other areas I just mentioned. This is what the minister calls a relaxation of rules or requirements. This is not an interpretation given by the Bloc Quebecois. The words were taken straight out of the legislation before this House, and there is a blatant contradiction between these and what the Minister of Intergovernmental Affairs said. The Bloc Quebecois is not misinforming the public; the government is.

Let us look at the third question covered in the hon. minister's statement, namely the development of principles through mutual consent. I read you the third paragraph of clause 48, which provides for what was referred to as dialogue. That is certainly the finest euphemism I have heard in a long time. I repeat, the bill itself provides for a dialogue to be established between the provinces to develop objectives and principles through mutual consent.

Very few Quebecers will not shudder at this prospect. Quebec's history has demonstrated beyond the shadow of a doubt the pitfalls associated with interprovincial dialogue, especially when the federal government demands such co-operation and has the power to punish any province refusing to get along nicely with the others.

History is repeating itself. In terms of manpower training, social programs and education, Quebec wants full control over its programs. Yet the federal government is about to systematically invade these areas of provincial jurisdiction.

How can anyone reasonably expect Quebec to agree with this approach? How can anyone expect Quebec, which is calling on the federal government to simply withdraw from all sectors under provincial jurisdiction, to come to an agreement with the other provinces? Everyone knows that this is impossible.

History is repeating itself. Because of their majority, the English speaking provinces will decide what standards they want for all of Canada. These standards will then be imposed on Quebec, which will be forced to respect them because otherwise its share of federal funds will be reduced.

This is what they refer to as mutual consent? This is the kind of flexible federalism they are offering us? No thanks. In this case, it is not the Bloc Quebecois but the government that is trying to misinform the public.

My colleague from Saint-Hyacinthe—Bagot is proposing that all clauses dealing with the Canada social transfer be deleted, and he has my full support. Instead of passing the bill before us, the federal government would do much better to withdraw completely from areas of provincial jurisdiction such as health, education, job training and social services.

It would be much better for the federal government to withdraw from this costly duplication and encroachment and transfer related tax points to the provinces, as the Quebec government demanded again very recently. A cleanup is in order.

Government officials must stop misleading the public on our intentions, which are always so transparent in the end. The Bloc Quebecois is saying no to the Canada social transfer as proposed by the federal government.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, Bill C-76 is a direct attack on the poor. We already know that, and we said it several times in this House, but we must repeat it again: it is a direct attack on the most vulnerable members of our society.

The government wants to cut $7 billion, next year and the following year, in social programs. We are talking about a $7 billion cut in programs designed to help sick people, welfare recipients and students. This is in addition to all the other cuts made since the government took office. Over the last two years, these cuts have totalled $10 billion in Quebec alone. They affect the unemployed, as well as sick people, students and welfare recipients. The government even cut seniors' benefits.

This legislation targets the poor. The government does not take the issue of poverty seriously. On the contrary, the situation has worsened since the Liberals took office. Not only does the government target the poor, it also seeks, through this bill, to protect rich people, large corporations, etc.

• (1705)

If the federal government really wanted to save money, it could take some very simple measures. First, it could withdraw completely from social programs and transfer its responsibilities, along with the tax points, to the provinces. This would only make sense, considering that health, education and social programs fall under provincial jurisdiction. By insisting on remaining involved in these areas, the federal government violates its own constitution.

If the federal government were serious and really wanted to respect provincial jurisdiction, it would withdraw from health, education and welfare programs. Not only would it then abide by the constitution, it would also make astronomical savings. If the federal government really wanted to save money, it would simply withdraw from these programs, where there is duplication and overlap, at present.

Think about it. Operating costs at the federal Department of Health reach about $1 billion every year. By eliminating this department, we would save $1 billion a year. The same thing goes for the Department of Human Resources Development, where operating costs probably reach up to $2 billion a year. There are savings to be made in every duplicated program. The federal government would save a lot of money if it withdrew from such programs as health, social services and education. But also it would not interfere and prevent provinces from working properly.

For example, we know that the Quebec government has been asking for exclusive jurisdiction over training, but the federal government will not yield. Because of this conflict between Ottawa and the provincial government, training is not adequate, and losses could be as high as $250 million.

If the federal government were to withdraw from social programs, from provincial areas of jurisdiction, it would save a lot of money. If it really wanted to reduce the deficit, this solution would be the most logical one to opt for, particularly as it is constitutionally correct and takes into account the diversity of Canadian society. For example, imposing national standards across the country not only for social programs, but also for services, education and health, reduces flexibility and the capacity to adapt and to innovate in these sectors. If the provinces were given control of these areas, they may be able to find solutions to these critical and serious problems.

The very serious problems Quebec is currently experiencing in the health care sector are a cause of concern for many people. We are in the process of closing a certain number of hospitals in Quebec. In my riding, Québec-Est, people are particularly concerned. Last week, 10,000 people protested about what is happening at the Christ-Roi hospital.

These concerns and cuts are due to the fact that the federal government is reducing its transfer payments—to Quebec and to the other provinces as well—while trying to maintain national standards which no longer meet our needs.

• (1710)

The federal government is increasingly heading toward a form of bankruptcy. We already expect that, before the turn of the century, it will not have any money left to support social programs. It is already trying to maintain national standards, criteria that it imposes upon the provinces not because it worries about savings, obviously, but mostly because it wants to take over these areas of provincial jurisdiction.

It is unfortunate that the federal government did not care more about the poor because, clearly, the situation is deteriorating in Canada and in Quebec. Indeed, the federal government is playing politics on the back of the poor.

In Quebec, we would like to repatriate powers concerning social programs, because the provincial government is basically in a better position to deal with problems in health and education. The provincial government is in a better position to meet these needs. So far, the federal government has not properly met the needs of the people of Quebec; this is one of the reasons why we want to achieve sovereignty, because we fundamentally need those powers to create full employment policies and family policies, as well.

We need those powers to integrate all the elements of training, education, job creation and family policy, and to create a full employment policy in Quebec. Quebec fundamentally needs those powers. In fact, it is one of the reasons why Quebec wants to achieve sovereignty. Not only because it would save money but because we want to give young people and the not so young some hope of getting a job.

We also know that in Quebec we have the expertise. We have the know-how. We have certain projects we can develop that will help us do a better job than is now the case. In fact, we could hardly do worse, because as long as Quebec remains part of Canada, the situation is likely to deteriorate and surely will, because basically, the federal government has less and less money to contribute to social programs, while it tries to maintain national standards.

This patently absurd situation will make things increasingly difficult for Quebecers, and that is why Bill C-76 is a genuine attack against the vulnerable in our society and shows no real interest in saving money, on the contrary. The government wants to reduce its deficit but, in the process, it mercilessly attacks the poor, the unemployed, the sick, people on welfare, students and senior citizens, while it could save a lot of money by simply withdrawing from all social programs and giving these powers to the provinces, in compensation for tax points.

• (1715)

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, some time ago a group of young children were standing in a small ball field. They were not yet playing; they were awaiting the arrival of little Lloyd and little Diane. These were the two kids, a brother and a sister, brats though they were, who had the bat and ball so the game could not start until they got there. The father of little Lloyd and little Diane was quite wealthy. In fact, he had got most of his wealth from the parents of the other children who were waiting to play ball. He took so much money from them that they could not afford to buy their own bat and ball.

Finally little Lloyd and little Diane showed up at the field and the kids were ready to play. Knowing all the positions and all the rules they were ready to start but little Lloyd and little Diane said: "No, just hold it a minute. We cannot play until we explain the

rules of the game to you". The kids said: "But we already know the rules of the game and we know how to play", to which they replied: "Yes, but it is our bat and ball, so you are going to play by our rules".

Sections 91 and 92 of the Constitution lay out the federal and provincial responsibilities. In the Constitution it is the provincial responsibility, not federal, to provide health care. It is the provincial responsibility, not the federal responsibility to provide welfare. This applies to many of the other areas as well that the federal government seems so anxious to interfere with. It is the old story of it is my bat and my ball and I make the rules once again.

The federal government recognizes it has absolutely no authority to interfere in the actual operation of the health care system for example. It has its own brand of rules it wants to place on the various provinces, so it says: "It is our money. If you want it, you will play by our rules". In essence it is perverting the very acts contained in the Constitution of Canada creating many problems in our social services.

Saskatchewan solutions are not necessarily the solutions for New Brunswick. Ontario solutions are not necessarily the solutions for British Columbia.

I would say to my colleagues in the Bloc Quebecois, some of whom I have talked to at length: Stop talking of and working toward separation. We have to make some changes but instead of changing the boundaries of Canada we should be changing the government itself. We should get rid of the last bastion of the old traditional political parties of the past that have neither served them nor any other province well in these areas.

For some strange reason members of the federal government seem to think they have this divine power, this extreme knowledge that in coming to Ottawa, they know better than the people in the provinces, that know better than the Canadian citizens. They think that Canadian citizens are not smart enough within their own provinces to tell their provincial governments what they want, what solution is going to work in their province.

We have the same old problem coming to the provinces. It is in the form of the Minister of Human Resources Development and the Minister of Health who say the same thing as those two spoiled brats with the rich father: "It is my bat and ball, so I am going to make the rules". Those rules do not work.

We agree with the concept that we have to have a devolution of many of the authorities from the federal government simply because we are not getting the solutions that work. We are duplicating the services. We are getting many problems that could be resolved better at the local level.

Last summer I attended the official opening in my riding of a new water treatment plant. As I stepped up to the microphone to say a few words of greeting to the people gathered, the mayor of the town was sitting beside me. As I went to speak he whispered to me: "Give us money, give us money, give us money". I said a few words and then said: "Your mayor is sitting beside me saying money, money, money. He sounds like Liza Minelli in an old movie".

One thing the mayor did not realize, and maybe some others at this point still do not, was that I do not see my mandate as going to Ottawa to try to get federal money for the riding. I see it as trying to get the federal government to stop giving so much money to other ridings and ultimately to stop taking so much of our money in the first place.

● (1720)

There is something inherently wrong with a system that takes away all one's money at the beginning of the year in taxes and then has one begging and pleading to get some of that money back. That is the way social transfers are working. It is not the federal government's money. It is our money. It is the Canadian taxpayers' money. The federal government takes it out of the pockets of taxpayers. It takes it away from the jurisdiction of the provinces which have the constitutional responsibility for most of these programs and then says the same old adage of it is my bat and my ball: "You still must play by our rules or we will not give you your own money back".

That is unacceptable. It does not work. It is leading to debt. It is leading to the erosion of the very programs the Liberal government would have us believe it is trying to save. It is not saving the health care system by overtaxing, making rules that do not work in various regions of the country. It is creating the very problem it claims to be trying to resolve. The sooner the government stops doing that, the sooner it gets away from the rules and regulations it is trying to entrench with Bill C-76, the better off all Canadians will be.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, as this part of the debate draws to a close, I would like to review some of the amendments supported by the Bloc and later supported by the Reform Party.

Dealing first with the motions of the member for Notre-Dame-de-Grâce, these proposed amendments would remove all references to the Canada health and social transfer in the bill, in effect killing the Canada health and social transfer. The amendments would also keep in place the intrusive cost sharing rules of the Canada assistance plan that have limited the provinces' ability to innovate and improve their social programs to better meet the needs of Canadians.

The Canada health and social transfer replaces the Canada assistance plan, which currently contributes to provincial social assistance and social services, as well as the established programs financing, which currently contributes to health and post-secondary education. The CHST combines existing federal transfers into a single block fund. It provides the provinces with the ability to better explore the linkages and synergies between health, post-secondary education and social assistance. This completes the gradual evolution away from cost sharing to block funding of programs in areas of provincial jurisdiction.

The Canada health and social transfer provides the provinces with the flexibility they need to experiment and improve social programs. There are many concrete examples of what this greater flexibility could entail in practice.

These amendments would delete such clauses as clause 32 which repeals the Canada assistance plan. The effect of this amendment would be to leave in place the cumbersome and intrusive system of cost sharing social assistance and social services which has stymied provincial efforts to innovate and improve social programs. Moreover this amendment would perpetuate the administrative burden associated with cost sharing.

Another clause that would be deleted would be clause 48. This clause puts in place many of the building blocks of the Canada health and social transfer. It includes the process in which the Minister of Human Resources Development will invite all provincial governments to work together in developing through mutual consent a set of shared principles and objectives that could underline the Canada health and social transfer and thus allow all governments to reaffirm their commitment to the social well-being of Canadians.

The amendment would also derail the government's fiscal plan to reduce the burden of debt and put social programs on a more sustainable basis, a fiscal plan that has been designed to ensure the survival of social programs in the future. In this regard the proposed amendments would cost the government $7 billion over the next two years.

Turning now to the motions of the member for Lethbridge from the Reform Party, these amendments would have the effect of reducing the power of the government and this House to protect the access of Canadians to health care and the basic protection of social assistance. To this end, they must be defeated.

• (1725)

The main thrust of these amendments is to change the enforcement mechanisms that can be used to protect the criteria and conditions in the legislation, namely the five criteria and two conditions of the Canada Health Act and the condition that there be no residency requirement for provincial social assistance. The enforcement mechanism put forward in the bill is modelled on the Canada Health Act which has worked very well for Canadians over the past 11 years.

This enforcement mechanism requires the relevant minister, the Minister of Health in the case of the Canada Health Act, and the Minister of Human Resources Development in the case of social assistance, to determine whether a violation has occurred and to act. The legislation sets out exactly how these ministers should proceed in terms of notifying the province, making a report to the province within 90 days and if they are not satisfied that the violation has stopped that they refer the matter of penalties to the governor in council.

What the amendments put forward by the hon. member propose is to take the ministers and the cabinet out of the process and to give the power to the federal court. In spite of our respect for the federal court and its role, it is not the appropriate place for the enforcement of the criteria and conditions governing the Canada health and social transfer.

It is essential that these ministers, as elected members of this House and as members of the cabinet with particular responsibilities for the health care system and the social security system, have the discretion to determine whether the provinces are in compliance with the Canada health and social transfer.

One of the main purposes of the Canada health and social transfer is to encourage innovation and experimentation by the provinces in the delivery of their programs, for example to find more efficient and effective methods of helping people to find and keep jobs and to become more self-reliant. The determination of whether these new approaches respect the standards set in the legislation must be made by a minister with a broad perspective on policy and the ability to use discretion and diplomacy in order to protect the integrity of our health and social programs. The federal court is simply not the best place to do this.

Equally, it is cabinet that should use its broad perspective to determine the appropriate penalty in the case of a violation by the withholding of cash transfers. This bill will give the governor in council the ability to set the appropriate penalty having regard to the gravity of the non-compliance. The amendment would give this power to the federal court which would lack this broader perspective.

Finally, I will deal with Motion No. 46. This motion would drop the reference that one of the purposes of the Canada health and social transfer is to promote the shared principles and objectives that are to be developed by the Minister of Human Resources Development in consultation with provincial governments and with mutual consent. This is of central importance to the government's social policy. Canadians expect their governments to reflect their expectations for social programs, that they will protect the most

vulnerable, that they will improve the situation of people by helping them to help—

The Deputy Speaker: The parliamentary secretary may not realize it but we are not dealing with Motion No. 46 at the moment. That will be part of the next grouping.

Is the House ready for the question?

Some hon. members: Yes.

Some hon. members: No.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I listened carefully to the debate on these groupings at report stage debate of Bill C-76. I have listened very carefully because I am quite concerned about the government's lack of intention to continue to hear the debate in front of us today.

When I learned that the government was invoking time allocation and that this closure motion by government was going to shut down debate on a bill that essentially, for all intents and purposes, is one of the most important—

• (1730)

Mr. Walker: Mr. Speaker, a point of order. There is great sensitivity among Canadians to the word "closure". The government is very proud of the fact that it has not used closure. The hon. member slipped up by describing time allocation as closure.

The Deputy Speaker: The parliamentary secretary will realize that is a point of debate rather than a point of order.

Mr. Taylor: Mr. Speaker, I realize the parliamentary secretary is engaging in debate. He knows that time allocation is a closure motion no matter what it is called.

Members of Parliament from various parts of Canada will not be allowed to say what they want if there is not enough time allocated in which to say it.

I listened very carefully today because the speeches made on this grouping of motions in particular and on the groupings that occurred earlier in the debate last week when I was here, were very thoughtful, researched presentations. The research and thoughtful actions should have been undertaken by the government in its own time before preparing this bill, which as I indicated earlier but did not quite complete saying because of the interruption on this fundamental and most important bill.

Members are aware that the grouping in front of us today deals with health care. We have also dealt with issues relating to the elimination of the Crow rate and we still have other matters before us for debate. Because of time allocation and the closure motion, some of the motions will not even make it to the floor for debate before time runs out. Members who have given a great deal of thought and a lot of effort to preparing amendments will not even have the opportunity to present them for debate because we will run out of time.

This is a complete outrage. We are debating a matter that completely changes the way in which education and health care are financed, completely changes the way in which the transport of grain on the prairies is financed, completely changes the way in which Canada operates from coast to coast to coast.

I cannot say it enough. I am completely outraged by this matter. It really disturbs me that when I talk about the government not wanting to listen—and they are sitting babbling over there, obviously not prepared to listen, just giving credence to the point that I am trying to make.

One of the members earlier in his comments talked about Saskatchewan having been a founding part of medicare and our health care system. I speak with some credibility when I say that Canadians very much value their health care system. They do not want to see it tampered with.

There is great evidence that the actions of the Liberals in other parts of the country, particularly when it relates to the provincial election held in Manitoba, the provincial election that is under way here in Ontario, the provincial election that is under way in the province of Saskatchewan, that people regard their health care system as being very important. They are indicating first in the electoral polls and second in the public opinion polls that they do not trust the federal Liberal government in this regard. They are translating that into their electoral votes at the provincial level.

Some weeks ago some of the designers of Canada's health care system from Saskatchewan indicated to the government that it was on the wrong path, that if implemented the aspects that we most value in our health care system would be seriously eroded. The government heard the words of those wise individuals who spoke before the finance committee. Each of these wise people have indicated that the present system will result in the erosion of the health care system as we know it today.

Certainly the government should be listening to those wise voices whether it be some of those who participated in the designing of the system out in Saskatchewan or whether it be those who are presently delivering the system, whether it be the Canadian Medical Association or as quoted today in the *Globe and Mail*, the Canadian Hospital Association.

• (1735)

If I can quote from the *Globe and Mail* of today, it indicates how important this is, not only to the Canadian public but to those who are involved directly in the system. The article reads:

> When the Canadian Hospital Association opens its annual meeting in Calgary today, it will issue a "call to arms" against the federal government's plans for health care.

Surely to goodness when an organization as credible and as astute as the Canadian Hospital Association issues a call to arms the government must be prepared to listen. It is incredible that instead of listening not only to the fine speeches of members of the House of Commons but to people across the country who want to see their health care system protected that the government should be moving to cut off the debate and not listen to what is being said anywhere in Canada. To barrel ahead as the government is on this matter is clearly incredible and outrageous.

In addition to the health care bill I earlier spoke on the Crow legislation. The government has not demonstrated at committee stage or in the House that it is prepared to understand the long term implications of the bill, whether they apply to health care or assistance in getting grain to port. The immediate loss of $400 million in grain transportation in the province of Saskatchewan alone is quite significant. I am quite appalled and amazed that the government has not taken the time to consider the long term implications in that regard.

As the House leader of the New Democratic Party I am very mindful of the words of the government and the actions which it takes. I recall reading in the local Ottawa media last week when the House was not sitting that the government House leader indicated that 32 pieces of legislation would have to be passed before the government adjourns the House for the summer recess on June 23. I cannot help thinking that the government is wanting to get home for the summer holidays—

The Deputy Speaker: Order, please. I am sorry to inform the hon. member that his time has expired.

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 23. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), the recorded division on the motion stands deferred.

[*Translation*]

The recorded vote shall apply to Motions Nos. 23 to 45.

I will now put group No. 5 to the House.

[*English*]

Mr. Boudria: Mr. Speaker, perhaps if you would seek it you would find consent that Motions Nos. 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62 and 63 be deemed to have been read.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Deputy Speaker: I assume it is understood that Motion No. 47 would be moved by Mr. Loubier.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 47

That Bill C-76 be amended by deleting Clause 48.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 48

That Bill C-76 be amended by deleting Clause 49.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.) moved:

Motion No. 49

That Bill C-76, in Clause 50, be amended by replacing lines 23 and 24, on page 26, with the following:

"(*a*) any order made by the Federal Court in respect of the province under".

Motion No. 50

That Bill C-76, in Clause 50, be amended by replacing lines 19 and 20, on page 27, with the following:

"province has not given an undertaking conforming to the provisions of this Act to remedy the non-".

Motion No. 51

That Bill C-76, in Clause 50, be amended by replacing line 23, on page 27, with the following:

"the matter to the Federal Court."

Motion No. 52

That Bill C-76, in Clause 50, be amended by replacing lines 24 and 25, on page 27, with substituting the following:

"(2) Before referring a matter to the Federal Court under subsection (1) in respect".

Motion No. 53

That Bill C-76, in Clause 50, be amended by deleting lines 39 to 44, on page 27.

Motion No. 54

That Bill C-76, in Clause 50, be amended by replacing lines 2 to 15, on page 28, with the following:

"under section 20, the Federal Court is of the opinion that the province does not or has ceased to comply with section 19, the Court may, by order, direct that any cash contribution under the Canada Health and Social Transfer to that province for a fiscal year be reduced, in respect of each non-compliance, by an amount that the Court considers to be appropriate, having regard to the gravity of the non-compliance."

Motion No. 55

That Bill C-76, in Clause 50, be amended by replacing lines 40 to 42, on page 28, with the following:

"year when the Federal Court determines that the".

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 56

That Bill C-76 be amended by deleting Clause 50.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.) moved:

Motion No. 57

That Bill C-76, in Clause 51, be amended by replacing lines 7 to 26, on page 29, with the following:

"51. Subsection 23.2(2) of the Act is repealed."

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 58

That Bill C-76 be amended by deleting Clause 51.

Motion No. 59

That Bill C-76 be amended by deleting Clause 52.

Motion No. 60

That Bill C-76 be amended by deleting Clause 53.

Motion No. 61

That Bill C-76 be amended by deleting Clause 54.

Motion No. 62

That Bill C-76 be amended by deleting Clause 55.

Motion No. 63

That Bill C-76 be amended by deleting Clause 56.

• (1740)

[*Translation*]

The Deputy Speaker: I believe this includes all the motions in this group. Is that correct?

Some hon. members: Yes.

[*English*]

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, before I turn to the main contents of my remarks, I would like to remind members of the House that in the last 24 hours the debt of the Government of Canada rose by $100 million. It now has reached a total of $556 billion. This is a very severe indictment of the budget, of which Bill C-76 is merely a method for implementing its contents.

We should periodically recall that Canada is in severe difficulties. We have to do more to eliminate the deficit, especially now that the economy seems to be slowing down and there are some indications of inflation raising its ugly head. I had hoped and wished that the government had cut spending more but obviously it was not to be.

Bill C-76 implements the budget. I am here to discuss the amendments which the Reform Party has proposed with respect to the maintenance of national standards of social programs.

The Government of Canada has a severe problem because it has switched from the traditional granting of cash to the provinces to a system which ultimately will lead to the elimination of all cash transfers. The reason is that along with the cash transfers used to come the opportunity to impose national standards on welfare and health and other programs which were financed. When this is eliminated the government will have difficulties because it will not have leverage over the provinces.

How has the government attempted to resolve the problem? The problem has been resolved by having the opportunity, without consent from the provinces, to impose standards. This is an interpretation we have put on what is in the bill. The government is acting without the consent of the provinces to impose standards. The Reform Party believes this is a very serious matter.

It is a pulling of power toward the centre that is unprecedented in Canada and we wish to oppose it. We have proposed some amendments which would clarify the point. No minister, no agent of the crown, can simply impose standards. They can be imposed only with the mutual consent of all of the provinces.

The second method which is very disturbing to Reformers is the decision whether certain standards have been violated by any province can be decided by cabinet in a closed session. We believe it is a similarly usurpation of power which is not suitable for the federal state. Third, there is a clause which we find unfortunate in that the power to withhold finances will not just be limited to the program, the standards of which were alleged to have been violated, but the ability to withhold money applies to other transfer payments. That is also an unfortunate development.

All of these approaches to try to maintain standards from the centre under the new Canada health and social transfers program are fundamentally against the current trend in Canadian society. What we have seen during the election campaign is the desire for devolution of power, to have smaller government.

• (1745)

I find it ironic that the parliamentary secretary a minute ago was praising that his government's program would lead to devolution.

At the same time there is this attempt to grab it back by trying to have clauses which restore and maintain the ability to set national standards.

I find it interesting to consider how we got those national standards. I remind the House that many years ago there was the obligation of individuals to look after themselves and if they could not do it families did.

We know when this is the case, cheating and excesses are not possible the way they are today. The closer programs are in their administration and design to the people they serve and who pay for them in the end, the more efficient and better they are.

The family alone historically was not able to maintain those services. When society became more complex churches, fraternal associations and all kinds of decentralized but slightly collective organizations took very good care of society.

How did it all happen? It happened in the post-war years when an intellectual, political and media elite imposed itself on Canada. It had a love affair with socialism, if not communism. The people who opposed these things thought the socialist experiment that had been undertaken in some of the industrial countries, especially the Soviet union, were a great success and that we should emulate them. This is how it came about. The initiation of those standards had their roots in a fundamental distrust in the wisdom of the people. They thought the people could not be trusted, that it took a political media elite to establish the kind of standards it thought were appropriate.

To me the most unbelievable thing was that this elite was able to persuade the media and others of the merit of its program. It introduced in a major public relations coup the idea that national standards are needed for national identity.

In the finance committee we heard a concerted effort of the political left discussing continuously on how a removal of these national standards means a destruction of Canadian national identity.

I am appalled by the ease with which this idea is still accepted. There is not one person questioning it. Is anyone saying that before we had national standards there was no Canada? Would anyone wish to ask the Prime Ministers governing up to the 1950s if they did not preside over Canada? That in my judgment is a lot of bunk. It was not the kind of Canada which the socialist dreamers wanted but it certainly had a national identity. I think that is absolutely silly.

In Europe the arguments are going in the opposite direction. Countries are attempting to integrate and unify their programs. For a long time the argument was there cannot be a united Europe, a European Union, because of different social programs. That is bunk also.

When a person grows up in a country with low taxes and low social programs, especially retirement benefits, they cannot when they retire or get sick move from that country of low cost in terms of taxes and the low quality benefits and say it is now their right as a member of the European Union to go into a country in Europe in which the taxes are high and the benefits are high.

• (1750)

I can understand how that would result in a breakdown of the system. We pay the low insurance rate when we do not need it. Then when we have the need to draw on the system, we go where the rates are high. It is very easy to avoid this kind of thing both in Europe and in Canada. We will be able to move from a province with low benefits and costs to one with higher ones, except that the benefits we get have to come from the province in which we have made our payments when they were low. It is as simple as that.

The ideas that we need national standards for national identity and that the system would break down because of different tastes, different levels of benefits and costs in individual provinces are a fabrication of people who were out there in the post-war years to persuade Canadians by any means possible that it takes people in Ottawa of obviously superior intellectual and moral standards to say what is the right level of welfare benefits, of health care and of unemployment insurance and various other goodies the state provides.

The amendments the Reform Party has proposed try to deal with this. We have done so with the conviction that it is in the interest of Canada in the long run to continue the process of devolution. We have gone through a very noble experiment of centralization, of national standards, which has obviously failed. The programs are all in financial difficulties and there are more people needing these kinds of systems simply because they were not administered properly.

[*Translation*]

The Deputy Speaker: Before I give the floor to the hon. member for Chicoutimi, I think that there is unanimous consent to allow the member to speak, as long as it is about group No. 7. Is that agreed?

Some hon. members: Agreed.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I would like to thank the House for allowing me to discuss motions from the last group: the six motions moved by my colleague from Châteauguay. These motions are aimed at preventing the government from slashing veterans' grants and allowances programs.

Need I remind the federal government that veterans are under its responsibility? Yet, I think that the government is abandoning some of its obligations and commitments toward them, despite some historical and solemn promises.

Support to poor people, widows and senior citizens is already being cut. The government knows very well that these cuts merely

shift these needs for assistance to other public services, both federal and provincial. The only real savings that can result from this operation will be in the envelope for Veterans Affairs Canada.

As usual, the government will have succeeded in passing the bill on to other federal departments or to the provinces. We agree with the hon. member for Notre-Dame-de-Grâce who had also moved amendments in this regard.

• (1755)

His amendments are totally in line with the Bloc Quebecois's efforts to oppose this government's proposed attack against veterans. We are therefore calling for the deletion of certain clauses affecting veterans, including clause 42, which amends the Children of Deceased Veterans Education Assistance Act.

This amendment starts the gradual elimination of the benefits allowing the children of deceased veterans to pursue their studies. There are not thousands of them. This does not affect 6 million Canadians. Only 85 orphans currently receive these benefits. With one or two exceptions, they are the children of deceased members of the military who had the courage to participate in Canadian peacekeeping missions.

The government is quick to act in this matter but very slow to do anything about family trusts and big business, for example. The government will now take away from these people, whose fathers died while serving their country, what may be their only chance to get an education.

Under Bill C-76, those students who were receiving these benefits on budget day will continue to receive them, but the department will no longer take applications although some students might be eligible. In 1993-94, this program cost only $315,000. So this is the finance minister's great initiative. Not only does he attack the most vulnerable, but he now goes after the children of those who lost their lives while serving their country. What for? To save a drop in this ocean of expenditures. What is $315,000 in a budget of an amount you know as well as I do.

Clauses 68 to 72 inclusively amend the War Veterans Allowance Act to discontinue the payment of allowances to veterans who served with the resistance. These provisions also provide for the phasing out of allowances awarded to allied veterans who immigrated to Canada after their service and resided in Canada for a period of at least ten years before applying for government assistance. This is another stupid initiative that will save very little money, while making life impossible for them when applying for allowances or even welfare.

Clauses 68 and 71 also repeal provisions so that allied veterans who immigrate to Canada after their service will no longer be eligible for these allowances. This amounts to a pure and simple cut. Under clause 69, allowances will no longer be paid to at least 3,000 veterans. At the same time, this clause will have the effect of taking allowances away from another 1,000 resistance veterans whose old age security and CPP benefits place just above the normal threshold for certain health benefits, just at the limit.

This will affect some 4,000 individuals, two thirds of whom live in Quebec. Today, they are told as offhandedly as can be to go and stand in line for other social programs from now on. The message is that they are no longer recognized by Veterans Affairs Canada and that barely making it back was not good enough.

• (1800)

The government is showing them that it has no respect for the sacrifice they made. Sure, you may argue that, since the Minister of Finance is not a veteran, he cannot really understand what goes on or what these people are going through. However, if he spent some time in a theatre of operations, as a participant and not merely a spectator, he might review his bill immediately upon his return here.

This federal abdication of responsibilities toward our veterans is yet another example of the arrogance displayed by this government. It also shows why we have to get out of that system. The government cannot keep to its word; it goes all out against the poor, while looking after the interests of its friends. It will never manage to eliminate its huge deficit with such a policy. Of the more than 4,000 people affected by these measures, I ask the two thirds who live in Quebec to think about this when the time comes to choose between the status quo, represented by a centralist and controlling federalism, and the sovereignty of a normal country, for a normal people, which will recognize their rights.

[*English*]

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I am pleased to speak on the motion in relation to the Canada social transfer because the Liberal government is simply not facing up to the reality of the situation in Canada regarding health care. It is trying to hide the reality by disguising it with a large lump sum transfer to the provinces and leaving the provinces to deal with the problems while at the same time continuing to apply, certainly at the moral level, a very restricted Canada Health Act.

In the *Globe and Mail* today there was a quote I can read to illustrate the problem very well. It is a quote from an adviser in the Prime Minister's office of all places who said:

> My view is we don't really have a problem per se. We have an incipient potentially harmful issue. We are not freaked by it. We just have to keep a eye over the horizon.

It is obvious that somebody is a bit worried at least. It really bothers me that the government is acting as if we are back 20 years

when it had control of the media and propaganda and could tell people things and they actually believed it.

Today in the information age with freedom of information and all the information available to people they see through the charade of the government. Everyone in my riding knows that the health care system is in trouble. All the bleating and discussion from the other side of the House about the Canada Health Act being maintained forever does not mean anything. The average person on the street knows there are problems.

I cite a couple of examples in my riding to illustrate problems exist that will only get worse unless the government admits there is a problem and deals with it. For example, a lady in her early seventies late last fall badly twisted her shoulder lifting something. She tore the tendons away from the bone in her shoulder. She went to the doctor who told her that because the tendons had been torn away the only way to fix them was by reattaching them in surgery; they will not heal. She was put on the waiting list and in the meantime given some pain killers.

Five months later the woman was still taking more and more pain killers. Because it is a muscle and tendons are joined to it, the muscle had shrunk back and it became more of a major job to reattach the tendons. Toward the end of February the woman's husband said that they could not wait any longer. Still the doctors could not give any date for the woman to go to hospital to have the tendons reattached.

• (1805)

Luckily Vancouver is very close to the border of the United States. The gentleman arranged to take his wife to Seattle where she had surgery within two days of arriving there. The surgeons there said they could not understand what type of health care system there could be in Canada that would allow a woman to go for six months with that sort of condition. It was unbelievable and unheard of that it would happen in a place like Washington state.

That is one example and I will give another example of a gentleman back in 1989 who noticed a bit of a problem with some blood. He went along to see his doctor who said it was a pretty bad situation and sent him to a specialist for a second opinion. The gentleman asked how long it would take me to get an appointment. The doctor said that it would be approximately 10 weeks.

Anyone in the House who has ever been to a doctor and has subsequently had to go to a specialist knows that what I say is true. I certainly know in this case it was true. It takes anywhere from 10 weeks or more to see a specialist. I know it is true in this case because the story is about me.

When I found out that I would have to wait 10 weeks to see a specialist for what appeared to be a fairly serious problem, I said: "No, thank you. Please make arrangements for me to go to the United States. I do not care if it costs me money because we are talking about a very serious problem".

The doctor said: "Listen, let me make a few phone calls and see what I can do". The doctor managed to get me in to see a specialist the same day. Because I threatened to go to the United States, I was queue jumped, which is wrong in itself. I admit that it is wrong. It should not be that way.

Luckily for me I saw the specialist the same day and within a few days by also threatening to go to the United States for tests I was able to have a colonoscopy. I was diagnosed with colon cancer and given approximately six months to live. This was back in 1989.

When they discovered the problem and there was a suggestion that there would be a waiting list for surgery, I had to raise the point that I was not prepared to wait, that I would go to the United States. Again I was queue jumped. That was not the only operation I had. After having part of my colon removed in 1989 I was put on chemotherapy, which is a devastating experience. Luckily the service was available in my riding.

About six months later I required a second operation and again I was queue jumped. I was admitted through the emergency department of the hospital because the doctors knew that I would go to the United States.

They said to me: "The surgeon is on duty on Saturday. Why don't you come to the hospital, admit yourself through the emergency department, and we will take care of you?" That was wrong but I believe I am here today because of the action I took to go to the United States for some tests and to make sure I was queue jumped for the rest.

There is something wrong with a system that allows that sort of thing to happen. I had some of my tests done in the United States because I needed MRI, magnetic resonance imaging. I would have had to wait 10 weeks in Vancouver to go to St. Paul's Hospital which had an MRI. However it was only doing five scans a day, four of which were cranial, for brain tumours and things like that. There was only one per day for the rest of the body.

The unit could easily do probably 20 scans a day but there was no budget. People could take a pet dog or cat and have it scanned by the MRI at St. Paul's Hospital because they could pay for it to have an MRI. However we are not allowed to pay for our own MRI; it is against the Canada Health Act.

I went to Seattle and paid $1,000 U.S. for an MRI. It only took two days to get in. I went there and was treated like a client, not like a number on a medical services plan. I had my MRI. Incidentally nobody asked me how I was going to pay for it. They just admitted me and did the tests. They said: "Mr. White, why don't you have a cup of coffee, come back in two hours and we will give you the radiologist's report?" Three hours later I was on my way back to

Vancouver with the radiologist's report and all the X-rays to take to my doctor.

• (1810)

Everyone in Canada who has been through the process asks when the results will be ready after the test is done, only to be told that the doctor will call in two weeks if there is a problem. That is unacceptable. The quality of care is so much better in my experience when people are accountable to the system that there is no comparison. We have to start admitting there is something wrong with the system the way it stands.

I use the New Zealand experience from time to time. I would like to mention briefly an experience with my mother who is in her eighties. She needed a cataract operation. She had to wait under the old system in New Zealand for up to six years at 80 years of age. By paying for herself she quickly got the service because in New Zealand people are allowed to pay for themselves. In a two-year period the waiting list was reduced from six years to six weeks because people could pay in what the government would call a two-tier system.

In the long run admitting there are problems and dealing with them make it better for everybody. We should not be afraid of a two-tier system that enables some wealthy people to pay and in the end reduces waiting lists for everybody.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am very happy to speak on Bill C-76, an act to implement various provisions of the last budget tabled by the Minister of Finance. The main purpose of this bill, as everyone knows, is to create the Canada social transfer which will have many repercussions.

The new Canada social transfer will, first of all, lead to cuts in the federal transfers to provinces in the upcoming years. As we mentioned over and over again in order to show how serious the situation is, we can expect during the next three years $3 billion in cuts in all of Canada, including $2.5 billion in cuts in Quebec alone.

Let me digress here. It is hard to talk about figures and statistics when we know that behind these figures are the harsh realities of life some people have to face. For example, in the province of Quebec, some hospitals will have to be closed, even though an increasingly significant portion of the Quebec population is having some serious problems, especially in Montreal where there is talk of a broken Quebec, and where life for some of our fellow Quebecers will only get tougher.

I am both somewhat surprised and disappointed to have so little time to address this issue, because I would have had a lot to say. I would like to respond to a statement made last week by our colleague from Edmonton Southwest who, in response to the debate initiated by the Bloc Quebecois on the rationale for Bills C-76, C-46, C-88 and C-91, referred to the Bloc members' behaviour as tribalism. I find it most deplorable.

By acting this way, we are assuming our responsibilities as the official opposition, and the Reform Party should, but does not, do the same at least to protect Canadian provinces against this unprecedented attack by the federal government which quietly forges ahead, bit by bit, to build tomorrow's Canada.

We are talking about it not only because Quebec is affected, but because if the answer to the referendum happens to be no, which would be most unfortunate, all Quebecers would wake up the next day as part of a new Canada that would have been built behind their backs. It is the very notion of a distinct nation that is at stake, the survival of the Quebec people, but it is tomorrow's Canada that is being built here, piece by piece, by people like the whip who refuse to admit what is really going on.

The Deputy Speaker: I regret to have to interrupt the hon. member for Trois-Rivières, but there is an order of the House.

It being 6.15 p.m., pursuant to order adopted earlier today, it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the report stage of the bill now before the House.

The question is on Motion No. 47. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

[*English*]

The Deputy Speaker: The division is deferred. Under the order the recorded division will also apply to Motions Nos. 48, 56, 58, 59, 60, 61, 62 and 63.

The next question is on Group No. 6, Motion No. 64. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen

The Deputy Speaker: The division is deferred. The recorded division will also apply to Motions Nos. 65, 66 and 67.

[*Translation*]

Apparently, Mr. Godin is not here. I give the floor to the hon. member for Saint-Hyacinthe—Bagot, on a point of order.

Mr. Loubier: Mr. Speaker, in the absence of my hon. colleague for Châteauguay, I ask the House to give unanimous consent for my hon. colleague for Chicoutimi to propose the motion.

The Deputy Speaker: Is there unanimous consent for the motion to be moved by someone else?

Some hon. members: Agreed.

Mr. Gilbert Filion (Chicoutimi, BQ) moved:

Motion No. 68

That Bill C-76 be amended by deleting Clause 68.

Motion No. 69

That Bill C-76 be amended by deleting Clause 69.

Motion No. 70

That Bill C-76 be amended by deleting Clause 70.

Motion No. 71

That Bill C-76 be amended by deleting Clause 71.

Motion No. 72

That Bill C-76 be amended by deleting Clause 72.

Motion No. 73

That Bill C-76 be amended by deleting Clause 73.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 68. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

• (1820)

[*English*]

The Deputy Speaker: The recorded division on Motion No. 68 stands deferred. This also applies to Motions Nos. 69, 70, 71, 72 and 73.

[*Translation*]

The House will now proceed to the taking of the deferred division on the report stage of the bill now before the House.

The first question is on Motion No. 3. Call in the members.

(*Division No. 229*)

YEAS

Members

Abbott
Althouse
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Crête
Deshaies
Duceppe
Fillion
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Calgary West)
Harris
Hermanson
Jacob
Kerpan
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Marchand
Mills (Red Deer)
Nunez
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Thompson
Tremblay (Rosemont)
White (North Vancouver)—65

Ablonczy
Axworthy (Saskatoon—Clark's Crossing)
Bouchard
Bridgman
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Epp
Frazer
Gauthier (Roberval)
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lebel
Manning
Meredith
Morrison
Plamondon
Riis
Rocheleau
Schmidt
Silye
Speaker
Taylor
Tremblay (Rimouski—Témiscouata)
White (Fraser Valley West)

NAYS

Members

Alcock
Anderson
Augustine
Barnes
Bertrand
Bodnar
Boudria
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Dingwall

Allmand
Assadourian
Bakopanos
Bellemare
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal
Discepola

Dromisky	Duhamel
Dupuy	Easter
English	Fewchuk
Finestone	Finlay
Fontana	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gerrard	Godfrey
Goodale	Gray (Windsor West)
Guarnieri	Harb
Harvard	Hickey
Hopkins	Irwin
Jackson	Jordan
Karygiannis	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacLaren
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Marchi	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mifflin
Milliken	Minna
Mitchell	Murphy
Murray	Nunziata
O'Brien	O'Reilly
Pagtakhan	Parrish
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Ringuette-Maltais	Rompkey
Scott (Fredericton—York—Sunbury)	Serré
Shepherd	Speller
St. Denis	Steckle
Stewart (Brant)	Szabo
Telegdi	Terrana
Thalheimer	Torsney
Ur	Valeri
Vanclief	Walker
Wappel	Wood—116

PAIRED MEMBERS

Asselin	Bachand
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Brien	Bryden
Bélisle	Canuel
Caron	Cauchon
Chamberlain	Collenette
Copps	Daviault
Debien	Flis
Fry	Gaffney
Godin	Graham
Guay	Laurin
Lavigne (Verdun—Saint-Paul)	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
MacDonald	Mercier
Ménard	Ouellet
Paradis	Paré
Patry	Payne
Picard (Drummond)	Pomerleau
Rideout	Robichaud
Skoke	Stewart (Northumberland)
Terrana	Verran
Wells	Whelan
Young	de Savoye

• (1845)

[*English*]

The Speaker: I declare Motion No. 3 defeated.

The next question is on Motion No. 4.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent that those members who have voted on the motion immediately preceding this one be recorded as having voted on the motion now before the House and in the following manner: the Liberal MPs will be voting nay.

[*Translation*]

Mr. Duceppe: Members of the Bloc Quebecois will also vote nay on this motion.

[*English*]

Mr. Silye: Mr. Speaker, the Reform Party members will vote yea except for those members who wish to vote otherwise.

Mr. Taylor: Mr. Speaker, the New Democrats will vote yea.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 230)

YEAS

Members

Abbott	Ablonczy
Althouse	Axworthy (Saskatoon—Clark's Crossing)
Blaikie	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)
Epp	Frazer
Gilmour	Gouk
Grey (Beaver River)	Grubel
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hayes	Hermanson
Hill (Prince George—Peace River)	Jennings
Kerpan	Manning
Meredith	Mills (Red Deer)
Morrison	Ramsay
Riis	Ringma
Schmidt	Scott (Skeena)
Silye	Solberg
Speaker	Taylor
Thompson	White (Fraser Valley West)
White (North Vancouver)—39	

NAYS

Members

Alcock	Allmand
Anderson	Assadourian
Augustine	Bakopanos
Barnes	Bellemare
Bertrand	Blondin-Andrew
Bodnar	Bonin
Bouchard	Boudria
Brown (Oakville—Milton)	Brushett
Bélair	Bélanger
Calder	Campbell
Cannis	Catterall
Chan	Chrétien (Frontenac)
Clancy	Cohen

Collins	Crawford
Crête	Dalphond-Guiral
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Dubé	Duceppe
Duhamel	Dupuy
Easter	English
Fewchuk	Fillion
Finestone	Finlay
Fontana	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Gallaway	Gauthier (Roberval)
Gerrard	Godfrey
Goodale	Gray (Windsor West)
Guarnieri	Guimond
Harb	Harvard
Hickey	Hopkins
Irwin	Jackson
Jacob	Jordan
Karygiannis	Knutson
Kraft Sloan	Lalonde
Landry	Langlois
Lastewka	Lavigne (Beauharnois—Salaberry)
Lebel	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Loney
Loubier	MacLaren
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mifflin	Milliken
Minna	Mitchell
Murphy	Murray
Nunez	Nunziata
O'Brien	O'Reilly
Pagtakhan	Parrish
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Plamondon	Proud
Reed	Regan
Richardson	Ringuette-Maltais
Rocheleau	Rompkey
Sauvageau	Scott (Fredericton—York—Sunbury)
Serré	Shepherd
Speller	St-Laurent
St. Denis	Steckle
Stewart (Brant)	Szabo
Telegdi	Terrana
Thalheimer	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Walker
Wappel	Wood—142

PAIRED MEMBERS

Asselin	Bachand
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Brien	Bryden
Bélisle	Canuel
Caron	Cauchon
Chamberlain	Collenette
Copps	Daviault
Debien	Flis
Fry	Gaffney
Godin	Graham
Guay	Laurin
Lavigne (Verdun—Saint-Paul)	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
MacDonald	Mercier
Ménard	Ouellet
Paradis	Paré
Patry	Payne
Picard (Drummond)	Pomerleau
Rideout	Robichaud
Skoke	Stewart (Northumberland)
Terrana	Verran
Wells	Whelan
Young	de Savoye

The Speaker: I declare Motion No. 4 defeated.

The next question is on Motion No. 5. A vote on Motion No. 5 also applies to Motions Nos. 6, 7, 8, 9, 10, 11, 18, 19 and 74.

• (1850)

[*Translation*]

Mr. Boudria: Mr. Speaker, if you seek it, I believe you will find there is unanimous consent for members who voted on the previous motion to be recorded as having voted on the motion now before the House, in the following manner: Liberal members will be voting nay.

Mr. Duceppe: Mr. Speaker, members of the Bloc Quebecois support this motion.

[*English*]

Mr. Silye: Mr. Speaker, the Reform Party members vote no except for those members who wish to vote otherwise.

Mr. Taylor: Mr. Speaker, the New Democrats vote yea.

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 231*)

YEAS

Members

Althouse	Axworthy (Saskatoon—Clark's Crossing)
Blaikie	Bouchard
Chrétien (Frontenac)	Crête
Dalphond-Guiral	Deshaies
Dubé	Duceppe
Fillion	Gagnon (Québec)
Gauthier (Roberval)	Guimond
Jacob	Lalonde
Landry	Langlois
Lavigne (Beauharnois—Salaberry)	Lebel
Loubier	Marchand
Nunez	Plamondon
Riis	Rocheleau
Sauvageau	St-Laurent
Taylor	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)—31	

NAYS

Members

Abbott	Ablonczy
Alcock	Allmand
Anderson	Assadourian
Augustine	Bakopanos
Barnes	Bellemare
Bertrand	Blondin-Andrew
Bodnar	Bonin

Boudria	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)
Brown (Oakville—Milton)	Brushett
Bélair	Bélanger
Calder	Campbell
Cannis	Catterall
Chan	Clancy
Cohen	Collins
Crawford	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	English
Epp	Fewchuk
Finestone	Finlay
Fontana	Frazer
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway	Gerrard
Gilmour	Godfrey
Goodale	Gouk
Gray (Windsor West)	Grey (Beaver River)
Grubel	Guarnieri
Hanrahan	Harb
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Harvard
Hayes	Hermanson
Hickey	Hill (Prince George—Peace River)
Hopkins	Irwin
Jackson	Jennings
Jordan	Karygiannis
Kerpan	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacLaren
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Manning	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Meredith	Mifflin
Milliken	Mills (Red Deer)
Minna	Mitchell
Morrison	Murphy
Murray	Nunziata
O'Brien	O'Reilly
Pagtakhan	Parrish
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Ramsay
Reed	Regan
Richardson	Ringma
Ringuette-Maltais	Rompkey
Schmidt	Scott (Fredericton—York—Sunbury)
Scott (Skeena)	Serré
Shepherd	Silye
Solberg	Speaker
Speller	St. Denis
Steckle	Stewart (Brant)
Szabo	Telegdi
Terrana	Thalheimer
Thompson	Torsney
Ur	Valeri
Vanclief	Walker
Wappel	White (Fraser Valley West)
White (North Vancouver)	Wood—150

PAIRED MEMBERS

Asselin	Bachand
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Brien	Bryden
Bélisle	Canuel
Caron	Cauchon
Chamberlain	Collenette
Copps	Daviault
Debien	Flis
Fry	Gaffney
Godin	Graham
Guay	Laurin
Lavigne (Verdun—Saint-Paul)	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
MacDonald	Mercier
Ménard	Ouellet
Paradis	Paré
Patry	Payne
Picard (Drummond)	Pomerleau
Rideout	Robichaud
Skoke	Stewart (Northumberland)
Terrana	Verran
Wells	Whelan
Young	de Savoye

The Speaker: I declare Motion No. 5 defeated. I therefore declare Motions Nos. 6, 7, 8, 9, 10, 11, 18, 19 and 74 defeated.

The next question is on Motion No. 17. An affirmative vote on Motion No. 17 obviates the necessity of putting the question on Motions Nos. 12 and 14.

[*Translation*]

A negative vote on Motion No. 17 requires the question to be put on Motions Nos. 12 and 14.

[*English*]

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent that members who have voted on the motion immediately prior to this one be recorded as having voted on the motion now before the House, with Liberal MPs voting nay.

[*Translation*]

Mr. Duceppe: Mr. Speaker, members of the Bloc Quebecois support this motion.

Mr. Silye: Mr. Speaker, Reform Party members vote no, except for those members who wish to vote otherwise.

[*English*]

Mr. Taylor: Mr. Speaker, on this motion New Democrats vote nay.

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 232*)

YEAS

Members

Bouchard	Chrétien (Frontenac)
Crête	Dalphond-Guiral
Deshaies	Dubé Duceppe
Fillion	Gagnon (Québec)
Gauthier (Roberval)	Guimond
Jacob	Lalonde
Landry	Langlois
Lavigne (Beauharnois—Salaberry)	Lebel

Loubier
Nunez
Rocheleau
St-Laurent
Tremblay (Rosemont)—26

Marchand
Plamondon
Sauvageau
Tremblay (Rimouski—Témiscouata)

NAYS

Members

Abbott
Alcock
Althouse
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bertrand
Blondin-Andrew
Bonin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Dingwall
Dromisky
Dupuy
English
Fewchuk
Finlay
Frazer
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Godfrey
Gouk
Grey (Beaver River)
Guarnieri
Harb
Harper (Simcoe Centre)
Harvard
Hermanson
Hill (Prince George—Peace River)
Irwin
Jennings
Karygiannis
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Red Deer)
Mitchell
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Ramsay
Regan
Riis
Ringuette-Maltais
Schmidt
Scott (Skeena)
Shepherd
Solberg

Ablonczy
Allmand
Anderson
Augustine
Bakopanos
Bellemare
Blaikie
Bodnar
Boudria
Bridgman
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal
Discepola
Duhamel
Easter
Epp
Finestone
Fontana
Gagliano
Gallaway
Gilmour
Goodale
Gray (Windsor West)
Grubel
Hanrahan
Harper (Calgary West)
Harris
Hayes
Hickey
Hopkins
Jackson
Jordan
Kerpan
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Manning
Marleau
Massé
McKinnon
McTeague
Meredith
Milliken
Minna
Morrison
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringma
Rompkey
Scott (Fredericton—York—Sunbury)
Serré
Silye
Speaker

Speller
Steckle
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Walker
White (Fraser Valley West)
Wood—155

St. Denis
Stewart (Brant)
Taylor
Terrana
Thompson
Ur
Vanclief
Wappel
White (North Vancouver)

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 17 defeated.

The next question is on Motion No. 12.

Mr. Boudria: Mr. Speaker, if you would seek it, I believe you would find unanimous consent that the vote on this motion be the one that was voted on report stage Motion No. 3 but in reverse. In other words, the vote on report stage Motion No. 3 will be applied to the motion now before the House in reverse.

The Speaker: Is it agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 233)

YEAS

Members

Alcock
Anderson
Augustine
Barnes
Bertrand
Bodnar
Boudria
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers

Allmand
Assadourian
Bakopanos
Bellemare
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal

Dingwall
Dromisky
Dupuy
English
Finestone
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Guarnieri
Harvard
Hopkins
Jackson
Karygiannis
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Ringuette-Maltais
Scott (Fredericton—York—Sunbury)
Shepherd
St. Denis
Stewart (Brant)
Telegdi
Thalheimer
Ur
Vanclief
Wappel
Discepola
Duhamel
Easter
Fewchuk
Finlay
Gagliano
Gallaway
Godfrey
Gray (Windsor West)
Harb
Hickey
Irwin
Jordan
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marleau
Massé
McKinnon
McTeague
Mifflin
Minna
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Reed
Richardson
Rompkey
Serré
Speller
Steckle
Szabo
Terrana
Torsney
Valeri
Walker
Wood—116

NAYS

Members

Abbott
Althouse
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Crête
Deshaies
Duceppe
Fillion
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Calgary West)
Harris
Hermanson
Jacob
Kerpan
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Marchand
Mills (Red Deer)
Nunez
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Ablonczy
Axworthy (Saskatoon—Clark's Crossing)
Bouchard
Bridgman
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Epp
Frazer
Gauthier (Roberval)
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lebel
Manning
Meredith
Morrison
Plamondon
Riis
Rocheleau
Schmidt
Silye
Speaker
Taylor
Thompson
Tremblay (Rosemont)
White (North Vancouver)—65
Tremblay (Rimouski—Témiscouata)
White (Fraser Valley West)

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young
Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 12 agreed to.

The next question is on Motion 14.

• (1855)

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent that the vote taken on Motion No. 12 be applied to the motion now before the House.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 233.*]

The Speaker: I declare the motion carried.

The next question is on Motion No. 23. A vote on Motion No. 23 also applies to Motions Nos. 24, 25, 26, 27, 29, 30, 32, 34, 36, 37, 38, 39, 41, 42, 43, 44 and 45.

[*Translation*]

An affirmative vote on Motion No. 23 obviates the necessity of putting the question on Motions Nos. 28, 31, 33, 35 and 40.

[*English*]

A negative vote on Motion No. 23 necessitates the question being put on Motions Nos. 28, 31, 33 and 40.

[*Translation*]

The vote taken on Motion No. 33 also applies to Motion No. 35.

[*English*]

Mr. Boudria: Mr. Speaker, perhaps one member will rise on this, but I believe you would find unanimous consent that the vote on report stage Motion No. 5 by the member for Saint-Hyacinthe—Bagot be applied to the motion now before the House.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Allmand: Mr. Speaker, on a point of order, I will be voting for Motion No. 23 in this case.

(The House divided the motion, which was negatived on the following division:)

(*Division No. 234*)

YEAS

Members

Allmand
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Blaikie
Bouchard
Chrétien (Frontenac)
Crête
Dalphond-Guiral
Deshaies
Dubé
Duceppe
Fillion
Gagnon (Québec)
Gauthier (Roberval)
Guimond
Jacob
Lalonde
Landry
Langlois
Lavigne (Beauharnois—Salaberry)
Lebel
Loubier
Marchand
Nunez
Plamondon
Riis
Rocheleau
Sauvageau
St-Laurent
Taylor
Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)—32

NAYS

Members

Abbott
Ablonczy
Alcock
Anderson
Assadourian
Augustine
Bakopanos
Barnes
Bellemare
Bertrand
Blondin-Andrew
Bodnar
Bonin
Boudria
Breitkreuz (Yorkton—Melville)
Bridgman
Brown (Calgary Southeast)
Brown (Oakville—Milton)
Brushett
Bélair
Bélanger
Calder
Campbell
Cannis
Catterall
Chan
Clancy
Cohen
Collins
Crawford
DeVillers
Dhaliwal
Dingwall
Discepola
Dromisky
Duhamel
Dupuy
Easter
English
Epp
Fewchuk
Finestone
Finlay
Fontana
Frazer
Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gerrard
Gilmour
Godfrey
Goodale
Gouk
Gray (Windsor West)
Grey (Beaver River)
Grubel
Guarnieri
Hanrahan
Harb
Harper (Calgary West)
Harper (Simcoe Centre)
Harris
Harvard
Hayes
Hermanson
Hickey
Hill (Prince George—Peace River)
Hopkins
Irwin
Jackson
Jennings
Jordan
Karygiannis
Kerpan
Knutson
Kraft Sloan
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Loney
MacLaren
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Maloney
Manley
Manning
Marchi
Marleau
Martin (LaSalle—Émard)
Massé
McCormick
McKinnon
McLellan (Edmonton Northwest)
McTeague
McWhinney
Meredith
Mifflin
Milliken
Mills (Red Deer)
Minna
Mitchell
Morrison
Murphy
Murray
Nunziata
O'Brien
O'Reilly
Pagtakhan
Parrish
Peric
Peters
Peterson
Phinney
Pickard (Essex—Kent)
Pillitteri
Proud
Ramsay
Reed
Regan
Richardson
Ringma
Ringuette-Maltais
Rompkey
Schmidt
Scott (Fredericton—York—Sunbury)
Scott (Skeena)
Serré
Shepherd
Silye
Solberg
Speaker
Speller
St. Denis
Steckle
Stewart (Brant)
Szabo
Telegdi
Terrana
Thalheimer
Thompson
Torsney
Ur
Valeri
Vanclief
Walker
Wappel
White (Fraser Valley West)
White (North Vancouver)
Wood—149

PAIRED MEMBERS

Asselin
Bachand
Bellehumeur
Bergeron
Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)
Brien
Bryden
Bélisle
Canuel
Caron
Cauchon
Chamberlain
Collenette
Copps
Daviault
Debien
Flis
Fry
Gaffney
Godin
Graham
Guay
Laurin
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Lefebvre
Leroux (Richmond—Wolfe)
Leroux (Shefford)
Lincoln
MacDonald
Mercier
Ménard
Ouellet
Paradis
Paré
Patry
Payne
Picard (Drummond)
Pomerleau
Rideout
Robichaud
Skoke
Stewart (Northumberland)
Terrana
Verran
Wells
Whelan
Young
de Savoye

The Speaker: I declare Motion No. 23 defeated. I therefore declare Motions Nos. 24, 25, 26, 27, 29, 30, 32, 34, 36, 37, 38, 39, 41, 42, 43, 44 and 45 defeated.

The next question is on Motion No. 28.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you seek it, I believe you will find there is unanimous consent for members who voted on the previous motion to be recorded as having voted on the motion now before the House, as follows: Liberal members will vote nay.

Mr. Duceppe: Bloc Quebecois members will also vote nay.

Mr. Silye: Mr. Speaker, Reform Party members will vote yea, except for members who wish to vote otherwise.

[*English*]

Mr. Taylor: Mr. Speaker, New Democrats vote nay.

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 235*)

YEAS

Members

Abbott
Ablonczy
Breitkreuz (Yorkton—Melville)
Bridgman
Brown (Calgary Southeast)
Epp
Frazer
Gilmour
Gouk
Grey (Beaver River)
Grubel
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Harris
Hayes
Hermanson
Hill (Prince George—Peace River)
Jennings
Kerpan
Manning
Meredith
Mills (Red Deer)
Morrison
Ramsay
Ringma
Schmidt
Scott (Skeena)
Silye
Solberg
Speaker
Thompson
White (Fraser Valley West)
White (North Vancouver)—34

NAYS

Members

Alcock
Allmand
Althouse
Anderson
Assadourian
Augustine
Axworthy (Saskatoon—Clark's Crossing)
Bakopanos
Barnes
Bellemare
Bertrand
Blaikie
Blondin-Andrew
Bodnar
Bonin
Bouchard
Boudria
Brown (Oakville—Milton)
Brushett
Bélair
Bélanger
Calder
Campbell
Cannis
Catterall
Chan
Chrétien (Frontenac)
Clancy
Cohen
Collins
Crawford
Crête
Dalphond-Guiral
Deshaies
DeVillers
Dhaliwal
Dingwall
Discepola
Dromisky
Dubé
Duceppe
Duhamel
Dupuy
Easter
English
Fewchuk
Fillion
Finestone
Finlay
Fontana
Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gagnon (Québec)
Gallaway
Gauthier (Roberval)
Gerrard
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harb
Harvard
Hickey
Hopkins
Irwin
Jackson
Jacob
Jordan
Karygiannis
Knutson
Kraft Sloan
Lalonde
Landry
Langlois
Lastewka
Lavigne (Beauhamois—Salaberry)
Lebel
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Loney
Loubier
MacLaren
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Maloney
Manley
Marchand
Marchi
Marleau
Martin (LaSalle—Émard)
Massé
McCormick
McKinnon
McLellan (Edmonton Northwest)
McTeague
McWhinney
Mifflin
Milliken
Minna
Mitchell
Murphy
Murray
Nunez
Nunziata
O'Brien
O'Reilly
Pagtakhan
Parrish
Peric
Peters
Peterson
Phinney
Pickard (Essex—Kent)
Pillitteri
Plamondon
Proud
Reed
Regan
Richardson
Riis
Ringuette-Maltais
Rocheleau
Rompkey
Sauvageau
Scott (Fredericton—York—Sunbury)
Serré
Shepherd
Speller
St-Laurent
St. Denis
Steckle
Stewart (Brant)
Szabo
Taylor
Telegdi
Terrana
Thalheimer
Torsney
Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)
Ur
Valeri
Vanclief
Walker
Wappel
Wood—147

PAIRED MEMBERS

Asselin
Bachand
Bellehumeur
Bergeron
Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)
Brien
Bryden
Bélisle
Canuel
Caron
Cauchon
Chamberlain
Collenette
Copps
Daviault
Debien
Flis
Fry
Gaffney
Godin
Graham
Guay
Laurin
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Lefebvre
Leroux (Richmond—Wolfe)
Leroux (Shefford)
Lincoln
MacDonald
Mercier
Ménard
Ouellet
Paradis
Paré
Patry
Payne
Picard (Drummond)
Pomerleau

Rideout
Skoke
Terrana
Wells
Young

Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

● (1900)

The Speaker: I declare Motion No. 28 defeated.

The next question is on Motion No. 31.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent that members who voted on the previous motion be now recorded as having voted on the motion now before the House with Liberal MPs voting nay.

[*Translation*]

Mr. Duceppe: Mr. Speaker, Bloc members will be voting yea on this motion.

[*English*]

Mr. Silye: Mr. Speaker, the Reform Party members will vote yea, except for those members who wish to vote otherwise.

Mr. Taylor: Mr. Speaker, the New Democratic Party members vote nay.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 236)

YEAS

Members

Abbott
Bouchard
Bridgman
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Epp
Frazer
Gauthier (Roberval)
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lebel
Manning
Meredith
Morrison
Plamondon
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Tremblay (Rimouski—Témiscouata)
White (Fraser Valley West)

Ablonczy
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Crête
Deshaies
Duceppe
Fillion
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Calgary West)
Harris
Hermanson
Jacob
Kerpan
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Marchand
Mills (Red Deer)
Nunez
Ramsay
Rocheleau
Schmidt
Silye
Speaker
Thompson
Tremblay (Rosemont)
White (North Vancouver)—60

NAYS

Members

Alcock
Althouse
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bertrand
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finlay
Gagliano
Gallaway
Godfrey
Gray (Windsor West)
Harb
Hickey
Irwin
Jordan
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marleau
Massé
McKinnon
McTeague
Mifflin
Minna
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette-Maltais
Scott (Fredericton—York—Sunbury)
Shepherd
St. Denis
Stewart (Brant)
Taylor
Terrana
Torsney
Valeri
Walker
Wood—121

Allmand
Anderson
Augustine
Bakopanos
Bellemare
Blaikie
Bodnar
Boudria
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Dingwall
Dromisky
Dupuy
English
Finestone
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Guarnieri
Harvard
Hopkins
Jackson
Karygiannis
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Riis
Rompkey
Serré
Speller
Steckle
Szabo
Telegdi
Thalheimer
Ur
Vanclief
Wappel

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel

Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 31 defeated.

The next question is on Motion No. 33.

[*Translation*]

The vote on this motion also applies to Motion No. 35.

[*English*]

Mr. Boudria: Mr. Speaker, I believe that you would find unanimous consent that the vote taken on report stage Motion No. 28 be applied to the motion now before the House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 235.*]

The Speaker: I declare Motion No. 33 defeated.

The next question is on Motion No. 40.

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent to apply the vote taken on report stage Motion No. 5 to the motion now before the House, except in reverse.

The Speaker: Is it agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 237*)

YEAS

Members

Abbott
Alcock
Anderson
Augustine
Barnes
Bertrand
Bodnar
Boudria
Bridgman
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal
Ablonczy
Allmand
Assadourian
Bakopanos
Bellemare
Blondin-Andrew
Bonin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Dingwall
Discepola
Duhamel
Easter
Epp
Finestone
Fontana
Gagliano
Gallaway
Gilmour
Goodale
Gray (Windsor West)
Grubel
Hanrahan
Harper (Calgary West)
Harris
Hayes
Hickey
Hopkins
Jackson
Jordan
Kerpan
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Manning
Marleau
Massé
McKinnon
McTeague
Meredith
Milliken
Minna
Morrison
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringuette-Maltais
Schmidt
Scott (Skeena)
Shepherd
Solberg
Speller
Steckle
Szabo
Terrana
Thompson
Ur
Vanclief
Wappel
White (North Vancouver)
Dromisky
Dupuy
English
Fewchuk
Finlay
Frazer
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Godfrey
Gouk
Grey (Beaver River)
Guarnieri
Harb
Harper (Simcoe Centre)
Harvard
Hermanson
Hill (Prince George—Peace River)
Irwin
Jennings
Karygiannis
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Red Deer)
Mitchell
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Ramsay
Regan
Ringma
Rompkey
Scott (Fredericton—York—Sunbury)
Serré
Silye
Speaker
St. Denis
Stewart (Brant)
Telegdi
Thalheimer
Torsney
Valeri
Walker
White (Fraser Valley West)
Wood—150

NAYS

Members

Althouse
Blaikie
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Fillion
Gauthier (Roberval)
Jacob
Landry
Lavigne (Beauhamois—Salaberry)
Loubier
Nunez
Riis
Sauvageau
Axworthy (Saskatoon—Clark's Crossing)
Bouchard
Crête
Deshaies
Duceppe
Gagnon (Québec)
Guimond
Lalonde
Langlois
Lebel
Marchand
Plamondon
Rocheleau
St-Laurent

Taylor
Tremblay (Rosemont)—31

Tremblay (Rimouski—Témiscouata)

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 40 carried.

The next question is on Motion No. 47. A vote on Motion No. 47 also applies to Motions Nos. 48, 56, 58, 59, 60, 61, 62 and 63.

[*Translation*]

An affirmative vote on Motion No. 47 will obviate the question being put on Motions Nos. 46, 49, 50, 51, 52, 53, 54, 55, and 57.

[*English*]

A negative vote on Motion No. 47 necessitates the question being put on Motions Nos. 46 and 49.

[*Translation*]

The vote on Motion No. 49 applies to Motions Nos. 50, 51, 52, 53, 54, 55, and 57.

• (1905)

[*English*]

Mr. Allmand: Mr. Speaker, I rise on a point of order. I thought we were voting on Motion No. 47.

The Speaker: We are voting on Motion No. 47. Because the hon. member for Notre-Dame-de-Grâce was not in the House, we put it in the name of the hon. member for Saint-Hyacinthe—Bagot.

Mr. Allmand: Mr. Speaker, on a further point of order, I will be voting in favour of Motion No. 47.

The Speaker: I believe we are going to have a recorded vote. The question is on Motion No. 47.

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 238*)

YEAS

Members

Allmand
Axworthy (Saskatoon—Clark's Crossing)
Bouchard
Crête
Deshaies
Duceppe
Gagnon (Québec)
Guimond
Lalonde
Langlois
Lebel
Marchand
Plamondon
Rocheleau
St-Laurent
Tremblay (Rimouski—Témiscouata)

Althouse
Blaikie
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Fillion
Gauthier (Roberval)
Jacob
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Nunez
Riis
Sauvageau
Taylor
Tremblay (Rosemont)—32

NAYS

Members

Abbott
Alcock
Assadourian
Bakopanos
Bellemare
Blondin-Andrew
Bonin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Dingwall
Dromisky
Dupuy
English
Fewchuk
Finlay
Frazer
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Godfrey
Gouk
Grey (Beaver River)
Guarnieri
Harb
Harper (Simcoe Centre)
Harvard
Hermanson
Hill (Prince George—Peace River)
Irwin
Jennings
Karygiannis
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Red Deer)
Mitchell

Ablonczy
Anderson
Augustine
Barnes
Bertrand
Bodnar
Boudria
Bridgman
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal
Discepola
Duhamel
Easter
Epp
Finestone
Fontana
Gagliano
Gallaway
Gilmour
Goodale
Gray (Windsor West)
Grubel
Hanrahan
Harper (Calgary West)
Harris
Hayes
Hickey
Hopkins
Jackson
Jordan
Kerpan
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Manning
Marleau
Massé
McKinnon
McTeague
Meredith
Milliken
Minna
Morrison

Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Ramsay
Regan
Ringma
Rompkey
Scott (Fredericton—York—Sunbury)
Serré
Silye
Speaker
St. Denis
Stewart (Brant)
Telegdi
Thalheimer
Torsney
Valeri
Walker
White (Fraser Valley West)
Wood—149

Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringuette-Maltais
Schmidt
Scott (Skeena)
Shepherd
Solberg
Speller
Steckle
Szabo
Terrana
Thompson
Ur
Vanclief
Wappel
White (North Vancouver)

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

• (1910)

The Speaker: I declare Motion No. 47 defeated. I therefore declare Motions Nos. 48, 56, 58, 59, 60, 61, 62 and 63 defeated.

The next question is on Motion No. 46.

Mr. Boudria: Mr. Speaker, I believe you will find unanimous consent that the vote taken on report stage Motion No. 31 be applied to the motion now before the House.

As well, Mr. Speaker, if you were to seek it I believe you would find consent that the same vote be applied to report stage Motion No. 64 as well as all other motions applying to that.

[*Translation*]

Mr. Duceppe: Mr. Speaker, the members of the Bloc will support this motion, with the name of the member for Saint-Hubert being added from this point on.

[*English*]

Mr. Silye: The Reform Party members support both Motion No. 46 and Motion No. 64, except for those members who wish to vote otherwise.

Mr. Taylor: Mr. Speaker, we accept what the government House leader has brought forward and we are voting nay on these two motions.

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 239*)

YEAS

Members

Abbott
Bouchard
Bridgman
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Epp
Frazer
Gauthier (Roberval)
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lebel
Manning
Meredith
Morrison
Plamondon
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)—61

Ablonczy
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Crête
Deshaies
Duceppe
Fillion
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Calgary West)
Harris
Hermanson
Jacob
Kerpan
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Marchand
Mills (Red Deer)
Nunez
Ramsay
Rocheleau
Schmidt
Silye
Speaker
Thompson
Tremblay (Rosemont)
White (Fraser Valley West)

NAYS

Members

Alcock
Althouse
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bertrand
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford

Allmand
Anderson
Augustine
Bakopanos
Bellemare
Blaikie
Bodnar
Boudria
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers

Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finlay
Gagliano
Gallaway
Godfrey
Gray (Windsor West)
Harb
Hickey
Irwin
Jordan
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marleau
Massé
McKinnon
McTeague
Mifflin
Minna
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette-Maltais
Scott (Fredericton—York—Sunbury)
Shepherd
St. Denis
Stewart (Brant)
Taylor
Terrana
Torsney
Valeri
Walker
Wood—121

Dingwall
Dromisky
Dupuy
English
Finestone
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Guarnieri
Harvard
Hopkins
Jackson
Karygiannis
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap -Breton—The Sydneys)
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Riis
Rompkey
Serré
Speller
Steckle
Szabo
Telegdi
Thalheimer
Ur
Vanclief
Wappel

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 46 defeated and I declare Motion No. 64 defeated.

[*Editor's Note: For vote on Motion No. 64, see list under Division No. 239.*]

[*Translation*]

The Speaker: I therefore declare Motions Nos. 65, 66, and 67 lost.

[*English*]

The next question is on Motion No. 49.

[*Translation*]

The vote on Motion No. 49 will also apply to Motions Nos. 50, 51, 52, 53, 54, 55, and 57.

Mr. Boudria: Mr. Speaker, if you were to ask it, I think you would find unanimous consent to apply the vote taken on report stage Motion No. 28 to Motion No. 49.

[*English*]

The Speaker: Is that agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 240*)

YEAS

Members

Abbott
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Frazer
Gouk
Grubel
Harper (Calgary West)
Harris
Hermanson
Jennings
Manning
Mills (Red Deer)
Ramsay
Schmidt
Silye
Speaker
White (Fraser Valley West)

Ablonczy
Bridgman
Epp
Gilmour
Grey (Beaver River)
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Kerpan
Meredith
Morrison
Ringma
Scott (Skeena)
Solberg
Thompson
White (North Vancouver)—34

NAYS

Members

Alcock
Althouse
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bertrand
Blondin-Andrew
Bonin
Boudria
Brushett
Bélanger
Campbell
Catterall
Chrétien (Frontenac)
Cohen
Crawford
Dalphond-Guiral

Allmand
Anderson
Augustine
Bakopanos
Bellemare
Blaikie
Bodnar
Bouchard
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Clancy
Collins
Crête
Deshaies

DeVillers
Dingwall
Dromisky
Duceppe
Dupuy
English
Fillion
Finlay
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Godfrey
Gray (Windsor West)
Guimond
Harvard
Hopkins
Jackson
Jordan
Knutson
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLaren
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Proud
Regan
Riis
Rocheleau
Sauvageau
Serré
Speller
St. Denis
Stewart (Brant)
Taylor
Terrana
Torsney
Tremblay (Rosemont)
Valeri
Venne
Wappel
Dhaliwal
Discepola
Dubé
Duhamel
Easter
Fewchuk
Finestone
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gerrard
Goodale
Guarnieri
Harb
Hickey
Irwin
Jacob
Karygiannis
Kraft Sloan
Landry
Lastewka
Lebel
Lee
Loubier
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchand
Marleau
Massé
McKinnon
McTeague
Mifflin
Minna
Murphy
Nunez
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Plamondon
Reed
Richardson
Ringuette-Maltais
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
St-Laurent
Steckle
Szabo
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Walker
Wood—148

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 49 defeated. I therefore declare Motions Nos. 50, 51, 52, 53, 54, 55 and 57 defeated.

The next question is on Motion No. 68. The vote on this motion also applies to Motions Nos. 69, 70, 71, 72 and 73.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent to apply the vote taken on report stage Motion No. 17 to the vote now before the House. I should add it is with the addition of the hon. member for Saint-Hubert voting on the yea side for that motion.

The Speaker: Is that agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 241)

YEAS

Members

Bouchard
Crête
Deshaies
Duceppe
Gagnon (Québec)
Guimond
Lalonde
Langlois
Lebel
Marchand
Plamondon
Sauvageau
Tremblay (Rimouski—Témiscouata)
Venne—27
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Fillion
Gauthier (Roberval)
Jacob
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Nunez
Rocheleau
St-Laurent
Tremblay (Rosemont)

NAYS

Members

Abbott
Alcock
Althouse
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bertrand
Blondin-Andrew
Bonin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Ablonczy
Allmand
Anderson
Augustine
Bakopanos
Bellemare
Blaikie
Bodnar
Boudria
Bridgman
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal

Dingwall
Dromisky
Dupuy
English
Fewchuk
Finlay
Frazer
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Godfrey
Gouk
Grey (Beaver River)
Guarnieri
Harb
Harper (Simcoe Centre)
Harvard
Hermanson
Hill (Prince George—Peace River)
Irwin
Jennings
Karygiannis
Knutson
Lastewka
Lee
MacLaren
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Red Deer)
Mitchell
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Ramsay
Regan
Riis
Ringuette-Maltais
Schmidt
Scott (Skeena)
Shepherd
Solberg
Speller
Steckle
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Walker
White (Fraser Valley West)
Wood—155

Discepola
Duhamel
Easter
Epp
Finestone
Fontana
Gagliano
Gallaway
Gilmour
Goodale
Gray (Windsor West)
Grubel
Hanrahan
Harper (Calgary West)
Harris
Hayes
Hickey
Hopkins
Jackson
Jordan
Kerpan
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Manning
Marleau
Massé
McKinnon
McTeague
Meredith
Milliken
Minna
Morrison
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringma
Rompkey
Scott (Fredericton—York—Sunbury)
Serré
Silye
Speaker
St. Denis
Stewart (Brant)
Taylor
Terrana
Thompson
Ur
Vanclief
Wappel
White (North Vancouver)

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle
Caron
Chamberlain
Copps
Debien
Fry
Godin

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel
Cauchon
Collenette
Daviault
Flis
Gaffney
Graham

Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare Motion No. 68 defeated.

[*Translation*]

• (1920)

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib,) moved that the bill, as amended, be concurred in.

Mr. Boudria: Mr. Speaker, I wish to seek unanimous consent that the vote taken on report stage Motion No. 3, the first vote taken today, be applied in reverse to the motion now before the House, adding the hon. member for Saint-Hubert on the nay side.

The Speaker: Is it agreed?

Some hon. members: Agreed.

Mr. Allmand: Mr. Speaker, I will be voting against the motion.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 242*)

YEAS

Members

Alcock
Assadourian
Bakopanos
Bellemare
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bélair
Calder
Cannis
Chan
Cohen
Crawford
Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finlay
Gagliano
Gallaway
Godfrey
Gray (Windsor West)
Harb
Hickey
Irwin
Jordan
Knutson

Anderson
Augustine
Barnes
Bertrand
Bodnar
Boudria
Brushett
Bélanger
Campbell
Catterall
Clancy
Collins
DeVillers
Dingwall
Dromisky
Dupuy
English
Finestone
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Guarnieri
Harvard
Hopkins
Jackson
Karygiannis
Kraft Sloan

Lastewka
Lee
MacLaren
Malhi
Manley
Marleau
Massé
McKinnon
McTeague
Mifflin
Minna
Murphy
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Reed
Richardson
Rompkey
Serré
Speller
Steckle
Szabo
Terrana
Torsney
Valeri
Walker
Wood—115

LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Ringuette-Maltais
Scott (Fredericton—York—Sunbury)
Shepherd
St. Denis
Stewart (Brant)
Telegdi
Thalheimer
Ur
Vanclief
Wappel

NAYS

Members

Abbott
Allmand
Axworthy (Saskatoon—Clark's Crossing)
Bouchard
Bridgman
Chrétien (Frontenac)
Dalphond-Guiral
Dubé
Epp
Frazer
Gauthier (Roberval)
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lebel
Manning
Meredith
Morrison
Plamondon
Riis
Rocheleau
Schmidt
Silye
Speaker
Taylor
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)—67

Ablonczy
Althouse
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Crête
Deshaies
Duceppe
Fillion
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Calgary West)
Harris
Hermanson
Jacob
Kerpan
Landry
Lavigne (Beauharnois—Salaberry)
Loubier
Marchand
Mills (Red Deer)
Nunez
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Thompson
Tremblay (Rosemont)
White (Fraser Valley West)

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Gaspé)
Brien
Bélisle

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bryden
Canuel

Caron
Chamberlain
Copps
Debien
Fry
Godin
Guay
Lavigne (Verdun—Saint-Paul)
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Paradis
Patry
Picard (Drummond)
Rideout
Skoke
Terrana
Wells
Young

Cauchon
Collenette
Daviault
Flis
Gaffney
Graham
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Mercier
Ouellet
Paré
Payne
Pomerleau
Robichaud
Stewart (Northumberland)
Verran
Whelan
de Savoye

The Speaker: I declare the motion carried.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

BOVINE SOMATOTROPIN

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, On May 16, I asked a question to the Minister of Agriculture about an article published in the Montreal daily *La Presse*, in which it was claimed that some dairy producers were illegally using recombinant bovine somatotropin. The minister tried to be reassuring by saying that his officials were investigating the allegations, and that he would inform me of their findings.

That was over three weeks ago, and I have yet to hear from the Minister of Agriculture or his parliamentary secretary. When the minister is asked what he intends to do to solve the issue, he points out that it is not the manufacturers of the product who do not comply with the moratorium, but the producers who dismiss the directive.

That answer clearly shows that the minister's primary concern is neither the reputation of dairy producers, nor the safety of consumers. The overriding consideration is big money.

It is very sad to see that no one will protect the producers and the consumers in this most important debate.

• (1925)

The minister clearly told us that he did not care by repeating for the umpteenth time that it is his colleague, the Minister of Health, who will make the final decision. It is too easy to just pass the buck. The Minister of Agriculture has a responsibility to dairy producers, not to rich pharmaceutical companies.

Why does the government leave a doubt as to the quality of our dairy products, considering that our producers must slow down their production and that the quality of our milk is recognized worldwide?

In my opinion, there is absolutely no reason for a Minister of Agriculture to close his eyes to acts that tarnish the excellent reputation the Quebec and Canadian dairy industry has built for itself over the years. Why does the minister allow companies like Monsanto and Ely Lilly to continue in the hope of making a fortune and having us drink milk containing a synthetic hormone?

What is on one side of the scales is becoming increasingly clear. Consumers do not want to drink milk containing recombinant bovine somatotropin at the moment, producers see no need to use the hormone and studies on the safety of the product are not conclusive.

Why put off extending the moratorium, then? Our guess is that there is no clear, explainable or public reason on the other side of the scales. Try explaining to a parent that his or her children are drinking milk that is more or less safe for purely economic reasons.

Statistics obtained in a study by Optima Research indicate very clearly that a high percentage of consumers will stop buying milk if it contains recombinant bovine somatotropin. Why in this case is the minister not protecting the interests of producers by putting pressure on his colleague in the health portfolio to put an end to the hopes of the pharmaceutical companies? I know very well that this whole matter is one of big bucks. Are there politicians or perhaps senior public servants with hidden interests?

Past certifications by Health Canada provide no assurance. They include breast implants, urea formaldehyde and thalidomide.

If it approves the use of recombinant bovine somatotropin for dairy herds, will Health Canada agree to compensate dairy producers for all consumer claims as the result of health problems arising through the consumption of dairy products?

In closing, I would ask why this government does not follow the example of the European Community and declare a moratorium until independent studies can really examine this hormone in depth? Should they ever come out in favour of its use, then and only then, could we start using recombinant bovine somatotropin.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I am pleased to provide the hon. member for Frontenac and the House with information regarding the alleged importation and use of rBST or recombinant bovine somatotropin, as well as an update on various related issues.

It is important to stress that the high standards and integrity of both the regulatory system and the Canadian dairy industry continue to be maintained.

First and foremost, no decision has yet been made regarding the approval and licensing of rBST for use in Canada. This decision, I repeat again for the member, is the responsibility of Health Canada. Its review is being administered under the Food and Drugs Act, which sets out the standards for the safety of food and drugs used in Canada.

A notice of compliance must be received in order to sell rBST in Canada. This means that the sale of rBST is prohibited and importation of this product is controlled at the border by Revenue Canada. Therefore the sale, distribution, or importation of rBST in Canada at this time is illegal and subject to criminal prosecution.

I would like to also take the opportunity to highlight some of the key events that have occurred over the past year.

In response to recommendations of the Standing Committee on Agriculture and Agri-food, the government has negotiated a one-year delay with the manufacturers, until July 1 of this year. Also, the government commissioned a task force report, which provides more information on costs and benefits to the Canadian dairy industry, animal genetics, U.S. consumer reactions, and human and animal health issues.

In addition, Health Canada has developed a document outlining how veterinary drugs are licensed in Canada. Also, both Agriculture and Agri-Food Canada and Health Canada have completed a document outlining consistent procedures for the handling of biotechnology products. All documentation is publicly available.

I hope this addresses the concerns on importation, as it provides the most up-to-date information that is available on this issue.

The Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

Accordingly, this House stands adjourned until tomorrow at 10.00 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.32 p.m.)

HOUSE OF COMMONS

Tuesday, June 6, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.

* * *

[*English*]

HUMAN RIGHTS

Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.): Madam Speaker, six years ago the world watched in horror as the tragic events of Tiananmen square unfolded. For many Canadians these events changed our lives forever. They propelled us into action. We rallied, we spoke out and we made the difference.

To commemorate those who lost their lives in Tiananmen square, on May 28 I participated in a democracy walk at the University of British Columbia. I paid tribute again on June 4 at Forest Lawn cemetery in Burnaby, British Columbia. At both locations there is a statue of democracy erected by Canadians to remind us about the tragedy.

My decision to run for political office was in large part due to the events of June 1989, for as I watched Chinese men and women risk their lives for something we all too often take for granted here in Canada, I realized that I needed to give back something to the country that welcomed me with such open arms in 1969.

I am proud to say I am still fighting for human rights improvements, both in China and around the world. Unfortunately the human rights situation with regard to human rights advocates in China has not improved significantly since 1989. The recent arrest of several Chinese dissidents in the run up to the sixth anniversary of the Tiananmen square crackdown and the strict surveillance imposed on others once again demonstrates that China continues to violate international standards of human rights.

One of the most enduring values uniting Canadians is our common commitment to freedom, democracy and human rights. Respect for human rights is a key to international peace and prosperity and it contributes to a global environment within which we Canadians can best pursue our interests.

As I have long believed, the issue is how to promote most efficiently good governance and the rule of law in China.

• (1010)

There are a number of ways to help influence and encourage China to better respect human rights. Multilaterally we take steps in organizations such as the United Nations to make our point. Bilaterally we discuss human rights issues with our Chinese counterparts. Development assistance lets us work with China to strengthen areas vital to human rights development. Trade is also a powerful tool. It encourages co–operation, and co–operation leads to understanding and appreciation, with which we can better manage concerns such as human rights development.

Furthermore, initiatives undertaken by people like ourselves continue to emphasize to all concerned that Canadians care about human rights. Rest assured that I will continue to work for the improvement of respect for human rights and democracy in China.

As I tell both my cabinet colleagues and my Chinese counterparts, I am a friend of China. I will continue to speak out against human rights violations in China, but at the same time I will continue to work within my means as a federal minister to help China develop in a meaningful way.

Pointing out violations of human rights is essential. So too is dialogue between Canada and China. Dialogue lets China and Canada share concerns and provides the foundation to address

important issues such as human rights proactively. This is the effective way to promote change in China and this is the cause my government and I will continue to follow.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Madam Speaker, it is a pleasure to rise today on behalf of the official opposition to mark the sixth anniversary of the Tiananmen Square massacre in which thousands of people, most of them students, died for democracy and the advancement of human rights in China.

On June 9, 1994, the Secretary of State for Asia–Pacific stated in this House, and I quote:

> Surely there is evidence that increased political flexibility is a byproduct of economic liberalization, and governments that have opened their markets to international trade are more sensitive to the views and reactions of other countries.

The federal government's policy of giving priority to the economic aspect in its relations with China, in the belief that China would then become more sensitive to Canadian human rights concerns, has been a monumental failure.

Even as China is seeking full membership in the World Trade Organization and after Team Canada paid that country a visit last November, we learned last December that nine Chinese dissidents had received sentences ranging from three to twenty years in prison.

According to Chinese authorities, the only crimes committed by these people were membership in unauthorized political organizations and planning the distribution of leaflets marking the third anniversary of the Tiananmen Square massacre.

By coincidence, at least 12 other Chinese dissidents were recently arrested in the run–up to the sixth anniversary of the bloody crackdown on the Beijing Spring in Tiananmen Square, which, as you may recall, left hundreds if not thousands of people dead. Yet, as the hon. Secretary of State for Asia–Pacific so eloquently said earlier, China continues to openly violate international standards of human rights.

The secretary of state even told us that the situation of Chinese human rights advocates has not improved since 1989. Despite government claims that trade liberalization is the best way to promote respect for human rights, we must recognize that the secretary of state's admission points to the failure of the government policy in this regard.

If—as the federal government maintains—its policy is credible, why were there no improvements in the human rights situation in China? As the secretary of state mentioned, if trade is a powerful tool that leads to co–operation and, in turn, to an improvement of the human rights situation, why have the Chinese authorities remained so inflexible?

Furthermore, how can the Secretary of State for Asia–Pacific claim that Canada influenced the course of events following the tragic events in Tiananmen Square?

• (1015)

How could we have any influence on events when, during his trip to China, the Prime Minister of Canada himself turned a blind eye to what the Chinese leaders are doing?

It is not by whispering quietly in his Chinese counterpart's ear that the Prime Minister of Canada, or Canada for that matter, will prompt the Chinese leadership to change its unacceptable attitude toward human rights. As we can see, this new policy did not produce the expected results; it was, to say the least, ineffective.

However, as the Minister of Foreign Affairs said recently, instead of opening its eyes and taking direct, consistent and firm action against countries that violate human rights, the federal government would rather pay court to them in order to establish trade relations with them.

Expressing discontent with the laissez–faire attitude of Canada with respect to human rights, the minister announced a while ago the Canadian government's intention to embark upon a series of trade initiatives with a number of countries, regardless of their human rights record.

This is a fine example of double talk on the part of the government. To add insult to injury, the Minister of Foreign Affairs went as far as to propose to ASEAN nations, some of which have a long tradition of openly violating human rights, that Canada represent their interests at the G–7 Summit in Halifax, next week.

In closing, I hope—but I am not holding my breath—that the government will not go on addressing human rights issues behind the scenes, as in so doing, it is playing into the hands of the dictators and tyrants of this world.

[*English*]

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, it is my pleasure to speak to the message of the secretary of state on China and Tiananmen square.

Certainly all of us have the memories imprinted on our minds of the horror and the terror and disbelief of what happened some six years ago. We need to think about what we have in Canada, freedom of speech, freedom of association and all of the good things that are part of our democracy and what it really means when we think back to those days.

Those people did not die in vain and China is moving forward as slow as it may be. China has a very major future in the world. It is a time to think of China and look at what that country means in the big picture of the world. I remember my visits in the late 1970s and in the early 1980s. I think about a country that was very agrarian, backward to our western way of looking at things.

I think of all the people in their blue and green clothes, the thousands and thousands of bicycles. I think of going to the movie theatre where I spent six cents to get in and where in the middle, because there was a Canadian there, they played "Red River Valley". Somehow they thought that was the national anthem of the country.

I remember the curious way people dealt with us as westerners but how friendly they were and how important their family and social structure was to them. I think back to being in the schools where education is such an important part of their society, where they go for six days a week, where they start at eight in the morning and finish at six at night and how they do not have text books so they have to read it on the blackboards outside the school. The people are very industrious, hard working. Commerce is important and there is a hidden power, a so–called sleeping giant in China.

China has changed a lot in the last 10 or 15 years. It now has double digit growth rates, unemployment, a massive movement from rural to urban, a dismantling of the state owned business, an aging leader who sort of keeps it together, but it will change dramatically.

For those of us who have been watching closely I do not think we can believe the speed at which this change will occur. There is a new era for China coming. It is hoped there will be a peaceful change to democracy from the chaos that might otherwise occupy that country.

The government still operates in the old way but I believe the new government will look toward the true power of China and so will come democracy in the 21st century. There is a great opportunity for China and for us in dealing with China.

• (1020)

The Chinese government must control corruption. It must solidify economic reform and it must carry out democratization not just from the communes but on through the villages, the towns, the cities and ultimately in the national government.

With all of this I believe firmly that human rights will come and that human rights reform will be part of that movement. I do not believe there is any way the Government of China will be able to stop that.

What is our role? Our role is to speak out against violations. This gives the people both in and out of China an opportunity to feel strength from our opposition. We need to provide assistance in developing governments and so on. Above all, the isolation of China will not accomplish the goals we all hold for China in the future.

Routine Proceedings

CRIMINAL CODE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP) moved for leave to introduce Bill C–330, an act to amend the Criminal Code (review process and disclosure by prosecutor).

He said: Madam Speaker, I am pleased to introduce this private member's bill for first reading. In essence it introduces or enacts the recommendations of the Donald Marshall inquiry, now some years in passing, for a better, more open and independent procedure for dealing with those who claim to have been wrongfully convicted.

At the moment that process is done in house by the Department of Justice. It is a very time consuming process. It seems there is no sense of urgency. There is no easy disclosure to those involved. Those who are claiming to be wrongfully convicted are pleading to their adversary for some mercy essentially.

We have had the cases of Milgaard, Marshall, Morin, Kelly and Morrisroe. Many cases have been taking two, three and four years to address. This bill would speed that process up and make it more open. It would be a distinct improvement in the process.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

BREAST CANCER

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, I have five petitions to present. The first is to improve the provisions for the diagnosis of breast cancer, the care for those who have breast cancer and for all the women in Canada. This petition comes from the university women's club.

ARMED FORCES

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the second petition is for a public inquiry to be held at the earliest possible time. This inquiry is to be wide ranging into the operation, costs and morale of the armed forces.

VIA RAIL

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the third petition is on VIA Rail. It is to preserve services and to review these services so they may be improved for the Sarnia, London, Stratford, Toronto corridor, now one of the heaviest travelled train areas in Canada

HUMAN RIGHTS

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the fourth and fifth petitions are against granting same sex rights.

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I rise again to present another petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

The petitioners I represent are concerned about making our streets safer for citizens.

• (1025)

They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray our streets will be made safer for law–abiding citizens and the families of the victims of convicted murderers.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present the following petition which comes form all across Canada and contains 969 signatures, making a total of 5,069 to date.

The undersigned request that in memory of Dawn Shaw, a six–year old girl who was murdered in my riding of Comox—Alberni, this petition be brought to the attention of Parliament.

These petitioners request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

HUMAN RIGHTS

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I am pleased to present petitions today from constituents in Langley, Aldergrove and Abbotsford, British Columbia.

The first petition asks that Parliament not pass Bill C–41 with section 718(2) as presently written and in any event not to include the undefined phrase sexual orientation, as the behaviour people engage in does not warrant special considerations in Canadian law.

RIGHTS OF THE UNBORN

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, the second petition asks that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, the final petition requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

Mr. Tony Valeri (Lincoln, Lib.): Madam Speaker, pursuant to Standing order 36, I am presenting a petition signed by constituents in my riding of Lincoln asking that Parliament oppose any amendments to the Canadian Human Rights Act or the charter of rights and freedoms which provide for the inclusion of the phrase sexual orientation.

They also oppose the inclusion of this phrase in proposed Bill C–41.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present two petitions duly certified by the clerk of petitions.

The first one bearing 39 signatures primarily from the Gouldtown district in my constituency requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

AGRICULTURE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, the second petition signed by 163 constituents scattered throughout my riding humbly requests and calls on Parliament to desist passing legislation legalizing the use of BST*rBGH in Canada.*

The petitioners further request legislation be passed requiring all imports produced from BST*rBGH treated cows be so identified.*

HUMAN RIGHTS

Mr. Grant Hill (Macleod, Ref.): Madam Speaker, I have a 25 signature petition asking Parliament not to enact legislation to amend the human rights code to include in the prohibited grounds of discrimination to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I agree with this petition.

The Acting Speaker (Mrs. Maheu): I will once again remind members we do not comment on agreement or disagreement in petitions; we present only.

I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statement government orders will be extended by 12 minutes.

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1030)

[*English*]

BUDGET IMPLEMENTATION ACT, 1995

Hon. Alfonso Gagliano (for the Minister of Finance) moved that Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I welcome the opportunity to lead off debate on third reading of Bill C–76, an act to implement certain provisions of the February 1995 budget.

The bill seeks to give concrete reality to the non–taxation measures announced in the budget, a budget of reform and renewal that has been described as historic.

[*Translation*]

This means that, over the next three fiscal years, this budget will translate into cumulative savings of $29 billion, $25.3 billion of which will be the result of spending cuts. This is by far the most ambitious series of measures proposed in a budget since demobilization, after the Second World War.

The objectives set are extremely important, but so are the means used to achieve them. Indeed, in order to achieve lasting fiscal consolidation and then fiscal balance, it is essential to change the role and the very structure of the state. We will continue to reap the benefits of this budget in 1997–98 and beyond.

These measures will have a very significant impact on future levels of federal spending. By 1997–98, program spending will total $108 billion, compared to $120 billion in 1993–94.

[*English*]

Although it was a tough budget, Canadians approve it. They approve it because they know we have to stop writing IOUs and get on with the business of building the 21st century economy.

[*Translation*]

By 1996–97, our financial needs, that is the new money which we have to borrow on financial markets, will go down to $13.7 billion, or 1.7 per cent of the GDP. Canada will fare better than any other G7 country.

The public debt will stop growing faster than the economy. The debt to GDP ratio will start decreasing. This is the key to a manageable financial situation, and it is the reason why we are not merely trying to reduce the deficit. Indeed, we are also determined to start the Canadian debt ratio on a downward trend.

[*English*]

Let me emphasize that these projections do not rest on rosy assumptions. On the contrary, prudent assumptions that were more pessimistic than the private sector average were used. The assumptions were backed up with substantial contingency reserves. We will continue to rely on prudent assumption. We will continue to set short term targets that make impossible to postpone action. We will continue to take whatever action is needed to meet our objectives. This is the course we will stay until the deficit is eliminated entirely.

Let me turn now from the budget background to the specific elements of the bill before us today. As the provisions of the bill have already been discussed at some length in the House, I will focus on a few highlights and draw the attention of members to the one amendment that is more than a technical amendment.

• (1035)

[*Translation*]

I am referring to the transfers to the provinces. We will never have the kind of structural changes needed if we do not reform our system of transfers to the provinces.

We must implement a system which will better meet today's needs, and we must also be able to fund that system over a long period.

As regards the first requirement, we feel that the conditions set by the federal government for transfer payments in sectors which clearly come under provincial jurisdiction should be reduced to a minimum.

Currently, the Canada assistance plan transfers come with many needless conditions that restrict the provinces' capacity for innovation and increase administrative costs. In short, the costsharing method no longer helps the provinces which are clearly responsible for designing and delivering social assistance programs and for implementing them as efficiently as possible, in accordance with the needs in the community.

This bill will deal with the situation by providing funding for the Canada assistance plan in the same way as the established programs financing did in the areas of health and post–secondary education. As a result, the current breakdown into three

transfers no longer has any basic justification. That is why we are combining them into one single block transfer program called the Canada health and social transfer, starting in 1996–97.

[*English*]

The Canada health and social transfer represents a new, more flexible and mature approach to federal–provincial fiscal relations but the physical situation demands that the new system also be less costly than the current one. That is why when the CHST is fully implemented in 1997–98 the total of all major transfers to the provinces will be down by about $4.5 billion from what would have been transferred under the present system. However to put this into perspective, the reduction will equal about 3 per cent of aggregate provincial revenues.

We believe our approach to provincial transfers passes three very important tests. First, the federal government has hit itself even harder. Second, the provinces have been given ample notice of the government's intentions. Third, the reduction in transfer payments is equitable across provinces.

In addition to the introduction of the Canada health and social transfer, the bill also includes other measures that will help to reduce the cost of payments to provinces. One of these measures is the reintroduction of a 5 per cent eligibility threshold to the fiscal stabilization program. This will restore the program to its original function of compensating provinces for revenue losses in the event of severe economic downturns, that is, where revenues decline by more than 5 per cent.

I want to turn now to a number of allegations about the CHST which members of the official opposition and the Reform Party have made in the debate on Bill C–76. Some opposition members have been confused about the additional flexibility which the CHST will offer provinces in the area of social assistance.

• (1040)

The hon. member for the riding of Quebec alleged that the government was misinforming Quebecers when it said that federal conditions on social assistance transfers were being reduced. Let us be clear on what is happening here.

[*Translation*]

This bill is a major reform of the system of federal transfers to the provinces and territories that will lead to the Canada health and social transfer, the CHST.

Starting in 1996–97, the EPF and the CAP will be replaced with one single mechanism, the CHST. Contrary to the existing system which is based in part on costsharing agreements, the CHST will be a block funding mechanism, like the EPF. Accordingly, transfers will not be determined by the provinces' spending decisions as they are under the cost shared programs.

The new arrangement will eliminate inherent limitations of the former cost shared programs and reduce longstanding irritants.

Provinces will no longer be governed by rules determining which expenditures are eligible for cost sharing and which are not. They will be free to find innovative approaches thanks to social security reform. Administrative costs of cost sharing will be eliminated. Federal spending will no longer depend on the provinces' decisions concerning delivery of their welfare and social services programs and the identity of recipients.

The Canada health and social transfer is a new vision of federal–provincial fiscal relations which gives more flexibility and freedom to the provinces while increasing their accountability, and provides more stable fiscal arrangements to the federal government.

This approach will bring about more mature fiscal relations.

[*English*]

The hon. member for Calgary North has been giving us contrary advice on how we should deal with transfers to the provinces. First she says there has been no consultation with provincial governments about the future of federal transfers and that the federal government has been too hasty in setting out important parameters for the health care system which will affect Canadians for years to come. However, in the next breath she attacked the government for precisely the opposite error. She asked how provinces in the health care sector are supposed to plan if the federal government will not tell them how federal transfers will be structured in the future and how much the provinces can expect to receive. The hon. member cannot have it both ways.

The government has taken a very sensible approach in dealing with the provinces. In the 1994 budget the government gave the provinces a two–year breathing space prior to making any cuts in transfers. In the 1995 budget, transfer restraint does not take effect until 1996–97, even though action is being taken in the federal backyard in 1995–96. The provinces have been given two years to manage the reductions and adjust their programs. At the same time the CHST provides more flexibility for provinces to make the necessary adjustments.

In addition, the government will soon begin consulting with the provinces and the territories to develop a permanent method of allocating the Canadian health and social transfer among the provinces from 1997–98 onward.

The federal government remains committed to a co–operative and productive approach to federal–provincial relations.

• (1045)

[*Translation*]

Third, under clause 13 on the new CHST, the Minister of Human Resources Development shall invite all provincial governments to work together to develop, through mutual consent, a set of shared principles and objectives that could underlie the new Canada health and social transfer.

The official opposition is trying to depict this quest for shared principles and goals as an artificial issue.

Its members would like the House and Canadians to believe that this whole process is nothing but a plot to underhandedly impose new conditions, methods or penalties. This is what I have to say about such comments.

"Mutual consent" means that no government in Canada can be subjected to new principles and objectives against its will.

In other words, only the governments that freely agree to new objectives and principles will be bound by them.

Governments that do not agree would not be bound by those objectives and principles.

So, if some provinces, including Quebec, do not agree, they will not be bound by the objectives and principles approved by other governments. Things cannot be made any clearer.

Indeed, this is usually what "mutual consent" means, an agreement made by consenting parties. The wording of the legislation is quite clear on this issue. I do not see the need to be more explicit than that.

[*English*]

Fourth, the Reform Party has proposed eliminating cabinet's role in enforcing the Canada Health Act as well as considerably reducing the role of the Minister of Health. Instead it would turn over this job to the federal court.

Hon. members should recall that Bill C–76 makes no substantive amendments to the Canada Health Act, only consequential amendments required by the ending of the established programs funding and introduction of the CHST. The five Canada Health Act criteria whose enforcement will be affected by these motions relate to universality, comprehensiveness, accessibility, portability and public administration.

The current procedure for applying penalties to a province is as follows. The Minister of Health initiates the process by consulting the province. If the province has not given a satisfactory undertaking to the minister to remedy the default within a reasonable time, she refers the issue to the governor in council. The governor in council decides whether penalties are appropriate, how much they should be and whether they should be reimposed.

Under the Reform proposal, the minister would instead apply to the federal court. The federal court would decide whether penalties were appropriate, how much they should be and whether they should be reimbursed.

This government strongly supports the Canada Health Act, as does an overwhelming majority of Canadians all across this country. The member for Winnipeg North is here. He has spent his whole life advocating and supporting the Canada health system. I am sure he would agree with the view of the government and my own view that if we should turn the decisions on enforcement over to the courts, we would pull away one of the most fundamental principles behind the act, which is that we as politicians and as a government must take responsibility for the Canada Health Act.

It is the cornerstone of this government. We will not accept any amendments that weaken the ability of the federal government to enforce the delivery of a system that Canadians find is one of the most attractive features of living in this country.

The provisions of the Canada Health Act which the Reform Party object to have served Canadians well since that act was passed over a decade ago. Reformers are seeking to water down the enforcement of national medicare standards, but we will not waver from our commitment. The Reform amendments would have the courts decide how the Canada Health Act is to be applied. Canadians have elected us as parliamentarians to do this job. We do not intend to shirk that responsibility.

• (1050)

Fifth, some opposition members seem to suggest that all our problems would disappear if only the federal government would abandon health care and other social programs and give the provincial governments more transfers of tax points.

[*Translation*]

The Canadian government has no intention of giving up its responsibilities in terms of funding major social programs. The Canada social transfer will help to subsidize the programs which are essential to all Canadians, including Quebecers, and its contribution will reach almost $27 billion by 1996–1997.

Canadians all know how important these programs are, and to suggest that the federal government should withdraw from them is preposterous, as preposterous as the suggestion that Ottawa should replace these transfers by giving up tax points. The Canadian government needs all of these tax points to fulfil its obligations towards all Canadians, including Quebecers. Everyone knows that, because they mean more for the have provinces than for the have not provinces, tax points put the underprivileged provinces at a disadvantage.

[*English*]

Another issue raised in the bill and in further debate has been subsidies to business. In the course of program review, departments across the government took action to reduce business subsidies. Overall we are proposing to cut business subsidies by 60 per cent. This includes agriculture and transportation subsidies that were designed decades ago.

The bill proposes to repeal the Western Grain Transportation Act and to terminate the western grain transportation subsidy paid to railways effective July 31, 1995. The reform of the WGTA will result in savings of $2.6 billion over the next five years.

This is much more than a deficit issue. The elimination of the subsidy will encourage the development of value added processing and the production of higher value crops. It will result in a more efficient grain handling and transportation system. It will help maintain our market access for grain sales in foreign countries and comply with our obligations under the agreement establishing the World Trade Organization.

A number of further initiatives will facilitate the transfer to the new system. These include a payment of $1.6 billion to owners of prairie farmland plus a $300 million transportation adjustment fund. The bill also provides for the regulation of maximum freight rates that can be charged by railway companies to move grain from the prairies.

There is an amendment to the bill on the matter of freight rates that I would like to point out to the House. Clause 21 of the bill has been amended to strengthen the provisions governing the review of the maximum regulated freight rates. Instead of an automatic sunsetting provision for maximum rates, the Minister of Transport will be given the authority to determine whether the rates should be fully deregulated during a review in 1999. These amendments are designed to provide greater rate protection to shippers. Should the benefit of full rate deregulation become apparent during the period leading up to the review, the Minister of Transport will have the authority to remove the maximum regulated rate protection.

The bill also proposes the elimination of the Atlantic freight subsidies under the Atlantic Region Freight Assistance Act, the ARFAA, and the Maritime Freight Rates Act, the MFRA. These subsidies which have proven inefficient in reducing shipper costs are of marginal and declining importance to regional economic activity. This measure to take effect this July will save nearly $100 million a year. To help ensure that the elimination of the subsidy contributes to a better transportation system, the budget announced a five–year $326 million transportation adjustment program.

• (1055)

I would like to respond to some of the specific criticisms made about the Western Grain Transition Payments Act. First, the hon. member for Saint–Hyacinthe—Bagot, the critic for the official opposition, during his speech on May 31 stated that the transition payment of $2.2 billion is tax free. The payment being made by the government to owners of prairie farm land is $1.6 billion and is taxable. The payment is neither $2.2 billion nor is it tax free.

The hon. member has also suggested that transition payments will be made to beef and hog producers in western Canada. The payments are being made to owners of land which in 1994 produced grain or land which was in summer fallow in 1994 and which in 1993 grew grain. Payments will not be made to western beef and hog producers.

I know the hon. member has a long history of being interested in grain transportation. In committee he gave a very eloquent defence of his position. He told me he had worked on the issue many, many years ago. I very much appreciated his comments and I simply wanted to put on the record some of the perspectives of the government on the issue.

On behalf of the NDP, the hon. member for The Battlefords—Meadow Lake stated that with the repeal of the WGTA, elevator points would lose $1 million annually in income. The repeal of the WGTA will result in increased transportation costs to producers. This will encourage producers to move from being oriented on exporting grain to increasing local consumption of grain to increase diversification in the economy on the prairies.

This diversification will in turn create more jobs on the prairies. For example, the construction of a new canola crushing plant in Moose Jaw was recently announced. This plant will help diversify the local economy by producing value added processed products.

The same member has suggested that we as members of Parliament need a chance to study the effects of the removal of the WGTA. Ever since the WGTA was enacted in 1984 it has been the subject of studies and ongoing reviews. There were numerous studies conducted before the WGTA was passed. As well, there have been an extensive number of studies on the WGTA reform conducted by industry, academics, various consultants, as well as by the federal and provincial governments over the past decade.

This is not the time to study nor to continue delay. Now is the time to act. I am sure the member from the New Democratic Party understands how dramatic these changes will be on the prairies. We are all looking forward to a responsible, co–operative attitude among the producers, shippers, rail companies and provincial and federal governments to make sure this works. It is no longer the time to study.

There are also a number of amendments in the bill on the public service. The measures I have outlined so far, along with other initiatives arising from the program review, mark the transition to a more focused, effective and frugal federal government. Reducing the public service was not an objective of the

program review. Such a reshaping of the government's role and the spending cuts it entails will unfortunately have an effect on the employees delivering services to Canadians on behalf of the federal government.

By the time the 1995 budget actions are fully implemented, federal employment is expected to decline by some 45,000 or about 10 per cent. Natural attrition and the programs currently in place are inadequate to deal with changes of this scope. The government appreciates the valuable service its employees provide. We are committed to managing the reductions in a fair and orderly fashion.

In keeping with this commitment the bill proposes changes to the Public Sector Compensation Act that will allow for an early departure incentive. This incentive could be taken by as many as 13,000 to 15,000 employees in the most affected departments. We estimate the cost of the program for the public service, the military, certain separate employers and the crown to be about $1 billion which will be included in the 1994–95 fiscal year.

• (1100)

Other proposed changes to the act will allow for cost neutral changes to non–salaried terms of employment and for certain new kinds of leave. In addition, we are proposing amendments to the Public Service Employment Act that will give public sector managers more flexibility in staffing arrangements.

Employees affected by the downsizing who decide not to take advantage of the departure incentives will have a reasonable period to find employment elsewhere in the public service, but that period cannot be indefinite. The government simply cannot afford to pay people for not working.

Accordingly the bill also includes amendments to the workforce adjustment directive so that surplus employees in most affected departments who decline departure incentives will cease to be paid after six months and will be laid off after one year unless alternative employment is found.

The President of the Treasury Board recently signed an agreement in principle with the public service unions to assist employees affected by downsizing. He will be working through joint labour–management adjustment committees to assist affected employees in making the transition from the public service.

Our goal in introducing these and other transition measures is to be fair to the taxpayer as well as to the federal employees affected. We believe the program balances the objectives.

Today's legislation will play a key role in setting the country on the course of fiscal responsibility and government renewal. These measures are absolutely essential if we are to meet our deficit targets and refocus the government on its priorities and on the country's needs.

We have drawn directly on the advice of Canadians from whom we heard several months before the budget and who subsequently gave us advice after the budget. Canadians in turn have shown their strong support for the budget. They know it will promote better public finances and a stronger economy.

To secure the savings that will lead to the improvements we must pass the legislation as quickly as possible. Anything less will compromise our ability to reach the objectives we have promised Canadians and our commitment to a secure and prosperous future for ourselves and our children. I therefore urge all members to give the bill final approval in the House.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Madam Speaker, I am pleased to have the opportunity to speak at third reading of Bill C–76, which implements certain provisions of the budget tabled in Parliament on February 27, 1995.

I was listening a little while ago to the parliamentary secretary who spoke about the hearings held by the finance committee and I had the impression that we did not attend the same hearings. People did not come to tell us that they were in favour of the budget measures. They did not come to tell us that these budget measures put the country on the track that they wanted to see the government follow. On the contrary, the vast majority of witnesses said that in the last two years, since the tabling of the Minister of Finance's first budget, the federal government always targeted those in the greatest need.

What people will remember, and what they said at the finance committee hearings, is that the government, in the last two years, has continued to make cuts in what we believe to be fundamental, Canada's social programs. What people will remember of the last two budgets is that there were cuts of $5.5 billion in unemployment insurance in the first budget and that the number of weeks of benefits to which claimants are entitled was reduced by a tightening up of the eligibility criteria. That is what people will remember.

• (1105)

What will stand out from the last budget and Bill C–76 in the mind of Canadians is that the government went one step further. The last budget added $700 million to the $5.5 billion in cuts already announced. This is what the Minister of Finance did, and Canadians will not forget.

People will also remember the tightening of the unemployment insurance eligibility criteria, especially those who had to turn to that last resort program because they lost their job. They will remember that it is this government that tightened the

eligibility criteria and reduced the number of insurable weeks. What happened to those people? I have seen many of them in my riding office since last year and they have had to go on welfare. These people, already disheartened and depressed by the economic situation and the loss of their job, have had to apply for welfare benefits.

Do you know how many people the Liberal government is responsible for shifting from unemployment insurance benefits to welfare? In Quebec, 50,000 more people joined the already impressive ranks of the 800,000 on welfare. This is what people will remember of this government, and what they have been blaming it for since the tabling of the first two budgets.

I will also add this: for the last two quarters or so, for the last five months, no jobs were created in Canada, there was no net creation of jobs. The economy is stagnating. Do you know what that means on a technical level? It means that our economy is slowing down and that we may be headed faster than we think toward another recession. That is what this government is offering us and that is what Canadians will remember.

The measures taken by the Liberal government over the last two years have led to more poverty in Canada. Do you know that, during the last two decades, the number of poor families in our country has increased 41 per cent? Forty–one per cent in two decades.

Do you know that the poverty rate among single parent families headed by a woman exceeds 52 per cent? It is a catastrophe. A 52 per cent poverty rate among single mother families.

Do you know what that percentage is in Sweden? We tend to forget that. In Sweden, the poverty rate among single mother families is 6 per cent. Fifty–two per cent in Canada compared to 6 per cent in Sweden. There is a problem somewhere, and I understand perfectly why women in Quebec have had enough of this situation.

I understand perfectly why, two weeks ago, women have started marching to demand that their rights be recognized, to demand that they be treated fairly, to tell both the Quebec and the federal governments that they have had enough of this poverty, that they have had enough of politicians who promise them the moon during the election campaign but who, as soon as they come into office, start taking away what little bit these women have. That is what people are saying today and what women were saying when they marched on Quebec City.

Do you know what kind of hourly wage for a normal 37 1/2 hour workweek a single mother with a child needs to survive? I figured it out a few times because several women in tears came to my constituency office to tell me that they could not make ends meet. To survive, they need the equivalent of a minimum hourly wage of $10 for a 37 1/2 hour workweek.

The $8.15 minimum wage demanded by the women who marched on Quebec City was symbolic. They wanted to see government decisions take a new direction, and this was the direction they were looking for as part of a new social covenant for Quebec. They wanted the government to change its course, to review the entire income security program, and they wanted the program to include not just training but re–entry into the labour force. This was the fundamental message these women were trying to get across when they marched on Quebec City last week.

• (1110)

I was pleased with the response of the Quebec government. It did not take the approach that seven demands out of nine had been met. I do not want to get into a numbers game, but the important thing is the direction adopted by the government of Quebec in response to these women. The direction of the response by the government of Quebec on Sunday is more important than any numbers and that direction is clear.

One thing is certain, the Quebec government has not lost sight of the real world. We can see this in its approach to the economy and also in its compassion for its citizens. The message Sunday from Premier Parizeau was clear: the government of Quebec will work to improve the lot of the least fortunate, taking rapid and direct action in seeking to respond to all of women's demands. This is only normal, it is vital for 52 per cent of Quebec's population, the proportion represented by women. The government of Quebec will address these areas that are key to the survival of lone parent families headed by women.

The Government of Quebec will be all the better placed to meet these needs once Quebecers have decided to stop frittering away their energy arguing and complaining about the constitution, which is what they have been doing constantly for 50 years, in an attempt to carve out for themselves a decent place—nothing more than what anyone else has—just a respectable place within the system, and for all that we have tried, they not only refuse to let us take our place, but they also refuse to even recognize our differences.

Once we have settled this issue over the next few months—yes, it is a question of months—all of our energies, all of our tax money will be devoted to helping these women, and these men, the most needy Quebecers, who will be able to at least have hope that their situation will improve. I think that the message that the Premier of Quebec delivered Sunday was clear and I think that the comparison is easy to make. When we see that the Government of Quebec is holding out its hand, when we see the federal government's partial answers to the neediest women of our society, its general orientation and its actions over the past two years, I think that the situation is clear.

Just look at what Quebecers are choosing between: a federal system which has brought public finances to ruin, with a current debt of $548 billion and a forecasted total debt of about $800 billion in another four and a half years; a federal government which has introduced two consecutive budgets cutting unemployment insurance, federal transfer payments and which could eventually make cuts to the old age security system; and the Government of Quebec, which is orienting itself towards helping the neediest Quebecers, I think that the choice to be made in the fall is clear. We must get out of this system, which is all about cuts like the ones contained in the last budget and like those they are bringing in through Bill C–76, a system which will continue in that vein over the next few years.

I would like to digress and pay tribute to these women who marched on Quebec City, pay tribute to their courage, perseverance, their faith in a brighter future for Quebec and for all Quebecers. I think that they have demonstrated that if we are determined to make society a better place, if we stop depending on power hungry politicians like the ones we have faced across the way for 18 months to make a change, we can make progress. When we see people coming to Quebec City to face their politicians, who actually want things to change themselves and give people hope that things will fundamentally change under a sovereign Quebec, that is already a great victory for the women who marched all the way to Quebec City.

I had the opportunity to tell these women, when they were passing through my riding, Saint–Hyacinthe, how beautiful they are, simply beautiful, how they were beautiful in spirit and beautiful in heart. They expressed their heartfelt concerns and the Government of Quebec answered that things would change, that they could hope for a fundamental change in their case, because they and others like them should not be held responsible and made to pay for the 52 per cent poverty rate. It is inhumane. A society with any sense of dignity should be ashamed of perpetuating this poverty, especially among women who are single parents and have had to put up with this for decades.

• (1115)

One wonders why these women did not march on Ottawa as well. Why not? They could have marched on Ottawa, but these Quebecers realized they would be wasting their time marching on Ottawa. They would be wasting their time, because this government is bankrupt, has no vision and has shown no compassion during the two years it has been in power, despite its commitments in the red book. That is why they did not march on Ottawa.

This government gives us nothing but cutbacks. It does not talk about controlling public spending, improving the economy or improving social justice in Canada. It just keeps cutting blindly, although this will have no visible impact in four years' time. Unless this big federal machine stops overheating, billions and billions of dollars worth of cuts every year will have no impact at all.

Speaking of cuts, the latest budget brought down by the Minister of Finance, as implemented in Bill C–76, cuts away at transfer payments to provincial governments. In Quebec alone, and this we cannot accept, 32 per cent of federal transfers will be cut over the next three years. This is very serious: 32 per cent of federal transfers will be cut in Quebec.

Predictably, every time a decision is made in Ottawa, a decision over which the Government of Quebec has no control at all, in Quebec City they have to cut not only the fat but the lean as well. It may be predictable but it is intolerable that the Minister of Finance in Quebec City does not have full control over the money that comes in and the money that goes out every year.

How can you expect a government to be able to plan ahead for the next three to five years? It is impossible. Because the Canadian government cuts 32 per cent of its transfers to the Government of Quebec, the Government of Quebec is being saddled with a number of financial problems because the federal government is not doing its job. The federal government is offloading its problems with the deficit by cutting transfer payments.

The federal government is delighted when it sees a nice flag flying over an infrastructure project in which it invested 20,000 or 30,000 dollars. On those occasions, you will see not just the minister but his assistants and his parliamentary secretary right up front at the sod turning ceremony. But when it is a matter of being responsible and controlling the public spending, they are not interested.

An hon. member: They are good at shovelling.

Mr. Loubier: They certainly are. Cuts in federal transfer payments to the Government of Quebec will cost Quebec $650 million next year. This offloading of the federal deficit will mean that next year, the Government of Quebec will have a shortfall of $650 million. Ultimately, we will lose $2.4 billion because of federal decisions over which the Government of Quebec has no control.

But there is more than that in this bill. The bill contains another instance of strong arming by the federal government. This is the kind of tactic we have come to expect from the present Prime Minister who was the right–hand man of Pierre Elliott Trudeau in 1980 and in 1981, when the Canadian constitution was patriated against an almost unanimous decision of the National Assembly to veto patriation unless Quebec's historic demands were met.

The present Prime Minister was also the chief instigator of the demise of the Meech Lake accord in 1990. No one will forget that. We all remember how he walked up and down the hallway with his cellular phone while inside, the Leader of the Official Opposition in Manitoba, Mrs. Carstairs, was taking her cues from him and doing his dirty work.

• (1120)

He is the one responsible for the collapse of the Meech Lake accord. Quebecers remember that too.

Now, another blow is being struck by the federal government with Bill C–76. The blow comes from our national expert, who is making his right hand man, the Minister of Finance, do his dirty work.

Bill C–76 provides for the continuance of national standards for health care and the introduction of new ones for welfare and post–secondary education. And if the provinces—for these people, Quebec is just another province—fail to comply with these standards, they will be cut off just like the unemployed and the people on welfare were cut off and like seniors soon will be.

Permit me to contradict the parliamentary secretary. No, the provinces are not being given greater autonomy. It gives me a pain in my stomach to hear talk of provincial autonomy, when welfare, post–secondary education and health are already provincial matters, within Quebec's jurisdiction. Giving greater autonomy in areas of provincial jurisdiction—now I have heard it all.

The parliamentary secretary talks of greater autonomy and greater flexibility. On the contrary. Not only will federal intrusion into areas already established by the constitution continue, but the provinces will be bound and gagged and told that, if they fail to meet the Canada–wide standards established, the government will find one way or another to cut them off, to not give them any transfer funding.

This is the sort of flexible and co–operative federalism the government is offering us with a simple bill on public finances.

When Bill C–76 was initially tabled, there was a great outcry in Quebec. Imagine setting national standards in post–secondary education for Quebecers, in particular. You can bet there was a reaction in Quebec when that came out. Quebecers were outraged. They understood that, if this bill were implemented, 75 per cent of people of Canada would be deciding about education in Quebec. Imagine the effect on the backbone of our culture, of what makes us distinct and of what makes us a people if our education were determined by the other founding people.

No people in the world would accept such conditions. It makes no sense. So here we have the Prime Minister and the Minister of Finance, our worthy representatives of Quebec,—and I see the member for Brome—Missisquoi with a smile on his lips—closing their eyes and concerns to the development of Canadian standards for post–secondary education and making Quebec toe the line on pain of being cut off. This is their idea of federalism.

Given the general outcry provoked by his initial project, the Minister of Finance, at one point—I think it was during the debate at second reading—proposed, in a move which is very unusual on the floor of the House, to table amendments following speeches by the Leader of the Opposition who opposed this measure, by the critic from Mercier and myself. He threw them out just like that, saying that they could meet Quebec's demands. We did well not to react right away because, when we received in writing the amendments which were passed yesterday by the government side, we realized that not only did the minister not solve anything but that he made things even worse. The second version was worse than the first one. They were laughing at us.

Some hon. members: They get everything wrong.

Mr. Loubier: Absolutely. No wonder this country is in such a mess.

Madam Speaker, the amendments passed yesterday by the liberal majority say the following: "The Minister of Human Resources Development shall invite representatives of all the provinces to consult and work together to develop, through mutual consent, a set of shared principles and objectives for the other social programs referred to in paragraph (1)(*d*) that could underlie the Canada Health and Social Transfer". Other social programs include not only health but also post–secondary education and welfare.

First of all, what is meant by "mutual consent"?

• (1125)

We have heard it over the past 15 or 20 years; "mutual agreement" has meant that as soon as seven provinces with 50 per cent of the population agree, there is mutual agreement. Not only is the agreement mutual, but it becomes a Canadian consensus, no matter what Quebec believes.

This is the route we are going with Bill C–76, and the provisions regarding the Canada social transfer if they are adopted under their present form. Mutual agreement could mean the agreement of seven provinces with 50 per cent of the population. The federalists opposite with their blinders on will see it as a Canadian consensus. They used to be called the 74 fools. I do not know how many of them there are now, I did not count them, but I do not think anything has changed. Even they will accept that Quebec is made to toe the line if there is mutual agreement with seven provinces accounting for 50 per cent of the population.

This is what is meant by mutual agreement, it becomes a Canadian consensus and must be abided by, and it says right here that if it is not, they will cut funding. "Canada health and social transfer may be provided for a fiscal year for the purpose of—" Among the listed purposes are the following: "promoting any

shared principles and objectives that are developed, pursuant to subsection (3), with respect to the operation of social programs, other than a program for the purpose referred to in paragraph (b)."

What this means is that because these types of consensus have been arrived at through mutual agreement, as I explained earlier, if one province does not abide by these mutual agreements, these sorts of Canadian consensus, its funding will be cut in a drastic manner and without warning.

Picture this. A Canadian consensus is arrived at regarding post–secondary education, with seven provinces accounting for 50 per cent of the population, excluding Quebec, and they say: "From now on, this is the way education is going to be, and this is the route all provincial governments are going to follow". If Quebec refuses to toe the line, because of its distinct culture and because it is a distinct nation, it will lose billions of dollars in transfer payments. This is what is called co–operative federalism according to Bill C–76.

We have a suggestion to make to the government: it should immediately abolish all provisions concerning the Canada health and social transfer and, before anything else, meet with the Quebec government to discuss its withdrawal. It should withdraw from any area of provincial jurisdiction like health care, post–secondary education and welfare. It must leave those areas to Quebec. It must transfer tax points to the Quebec government as a compensation and stop annoying Quebec with those darned national standards, those Canada–wide standards.

That is what Quebec wants and that is the essence of Quebec's message.

Some hon. members: Hear, hear.

Mr. Loubier: There is also another message that we could send to the federal government, given what we heard at the finance committee. We could certainly add another message. Some Canadian provinces want national standards; they want standards for everything. The federal government should meet with these provinces and determine the standards with them and with all the Canadian groups outside Quebec who want such standards. Let them choose and implement the standards, but they should leave Quebec alone. That is the second message we want to convey to the government about Bill C–76 and the Canada health and social transfer.

There is another point we must make in the context of this bill and it concerns the Crow's benefit. That benefit raised passions in Quebec in the past. Do you know why? Because, in 1982, another Liberal government was in office at the time and they understood strictly nothing about that issue. I remember that, in 1982, the actual minister of International Affairs was responsible for the Crow's Nest rate issue in Quebec. He was the only french speaking member of the group who could understand what a crow, a nest and a train were. At least, it was a beginning.

There was a terrible fight in 1982. Do you know why? Because the Crow rate, a grant for western grain transportation, a preferential rate structure for the shipping of grain products from the prairies to the various export points, was established in 1897.

• (1130)

Since 1897, we have built a balance between east and west, between grain production in the west and livestock production in the east, especially in Quebec. We also grow grain in Quebec, but mostly for animal feed, while in the west wheat is grown for export. This balance evolved over the years: grain in the west, livestock in the east.

When you eliminate the preferential rate known as Crow's Nest, when you eliminate the subsidies paid year after year by the federal government to railway companies, to allow them to charge below cost, you are breaking the balance. The disappearance of the preferential rates will mean a local price for grain in the west that is $8 to $15 a metric tonne below the international price.

Do you know what that means? It means that by breaking the balance you are giving a competitive advantage to western producers who, with a price for grain of $8 to $15 a metric tonne lower than the international price, will be able to produce more meat animals. This situation is accepted by eastern producers and in particular those in Quebec. They reason that things have changed since 1897, and they accept that the subsidized rates known as the Crow's Nest rates must disappear.

However, we should not go too far. That is the way it was in 1982 and that is the way it is today, but we should not go any further. In other words, when you eliminate this advantage, you must simply do away with it and bring transportation rates to the level at which they should normally be, that is to say the real transportation cost for the hopper cars which carry grain to the various export points.

If you go beyond that, if you give a federal compensation—24 per cent of which is being paid by Quebec taxes—to increase livestock production in the west so that they can compete with Quebec hog producers, for example, we no longer agree. We cannot accept that federal money be used to help western producers compete against their Quebec colleagues. It would be totally unfair. Not only do they subsidize, but they subsidize in a big way.

They ask everybody to tighten their belts while giving $1.6 billion in compensation to western producers. And contrary to what the parliamentary secretary said earlier, this $1.6 billion is tax free, which means that, in fact, we are giving $2.2 billion to western producers in compensation for the fact that the preferential tariff is going to be eliminated within the next five years.

Nobody warned the Quebec milk producers when milk subsidies were cut, $35 million in one shot. There were no transition measures, they did not offer any when our markets were opened up under NAFTA and, afterwards, the GATT agreement which is now the World Trade Organization agreement. They did not compensate them at all. Nor did they compensate the unemployed when they cut UI funds by $2.5 billion annually.

In a period of fiscal austerity, a time when it is said that the federal system is bankrupt with a debt of $548 billion, they are ready to give what amounts to $2.2 billion to western producers. It is totally unfair because, as I said earlier, Quebec's money will be used to increase the competitiveness of western cattlemen who are going to compete with Quebec hog and beef producers. This is why we are against this part of Bill C–76.

If we must amend the Crow rate, let us eliminate it and the subsidy that goes with it; we must let the free market set the tariff and leave it at that. This is what we must do when we are bled white because of the state of public finances and when everybody is asked to make sacrifices. Moreover, they do not even recognize that the elimination of the Crow's Nest rate will have considerable impacts on Quebec. According to an analysis done by Professor Garth Coffin of McGill University, Quebec will have to absorb between $24 and $46 million per year in losses because of the government's policy.

I think that the current Minister of Intergovernmental Affairs and the current Prime Minister forgot what the Crow rate did for Quebec in 1982.

• (1135)

It would be in their interest to remember that, because Quebec producers remind them, either here or in their riding office, of what the Crow rate means for them, of what it means for them to have their dairy subsidies cut again and again. They were asked to make greater sacrifices than other classes of population in the last budget; their dairy subsidies and various income stabilization plans were cut and they were especially concerned when our borders were opened, as we did here a bit over zealously—if you will allow me the expression—by opening our borders wider than anywhere else in the world. Americans, who are in favour of free trade in the milk industry, are the second most protectionist in the world after Japan. That is something.

Madam Speaker, I have only a few minutes left, but I would like to add a last point. Veterans affairs is another issue that I consider important. Bill C–76 contains clauses that are hitting veterans very hard, but even more so their families. Speaking of veterans, we can go back to World War I or II, but we must not forget those who fought recently. Soldiers were sent by the federal government to represent Canada in peacekeeping forces and some of them died while in the performance of their duty. Their families however must go on with their lives.

Concerned with justice, my colleague and friend, the member for Châteauguay, presented amendments to Bill C–76 to prevent the federal government from acting unjustly towards them. His colleague for Chicoutimi made a brilliant plea in favour of the amendments yesterday. I thank him for that, since the member for Châteauguay had pressing obligations elsewhere. Yesterday, the member for Chicoutimi presented the analysis made by the member for Châteauguay and I will comment on it, since the Bloc Quebecois considers that in no case must a budget lead to social injustices, as this measure would do for veterans.

Briefly, in Bill C–76 the government gives up its obligations and commitments towards veterans despite historical promises made on their honour by this government and its predecessors. The government knows very well that these cuts will add to the plight of the families of these veterans and force them to turn to other public services, provincial in this case, for the help they need. Someone said earlier that the federal government had become an expert at shovelling. Well, this is another case of shovelling.

This government not only shows disrespect for veterans, their memory, their families and all they had to go through, but it passes on to Quebec responsibilities which were initially that of the federal government. For example, clause 42 of Bill C–76 amends the Children of Deceased Veterans Education Assistance Act. This amendment is the first step in the gradual elimination of a benefit giving children of deceased veterans a chance to pursue their studies. The 85 orphans who presently receive this benefit are all, except one or two, children of deceased soldiers who participated in Canadian peacekeeping missions. We are not talking here about the two world wars but about recent peacekeeping missions in which Canadian soldiers died.

Not only did those children lose their fathers who died while defending peace, democracy and freedom, but they are now being deprived of a chance to further their knowledge. According to Bill C–76, students who were receiving the benefit up to the day the budget was tabled will continue to be entitled to it, but the department will accept no further applications. In 1993–94, that assistance program cost $315,803. It is not so much, but that is the Minister of Finance's great initiative, his masterpiece.

Not only are the poorest in our society being attacked, but now the children of those who lost their lives fighting for peace are being attacked also. We oppose this. Clauses 68 to 72 amend the War Veterans Allowance Act by putting an end to the payment of allowances to veterans who were involved in the resistance. We are talking about allied resistance fighters who made the same contribution as official soldiers, as official armies, to bringing

about peace and freedom during the First and Second World Wars.

• (1140)

These clauses are aimed at gradually eliminating the allowances payable to these veterans who were military allies, who immigrated to Canada at the end of their service and who lived here for at least ten years before asking the government for assistance. The government is cutting off their allowances simply and brutally.

Clause 69 repeals sub–section 6.1 of the Allowance Act. This sub–section 6.1 provides that allied veterans who took part in the resistance will continue to receive the allowances established according to their financial circumstances, as long as these allowances were awarded on March 2, 1992 or before.

With this provision, by repealing this sub–section, the government is cutting off allowances to more than 3,000 people in Canada. This provision will also have the effect of taking away the allowances of more than 1,000 resistance veterans whose Old Age Security and Canada Pension Plan benefits put them just above the income level that would normally qualify them for health care benefits.

And speaking about health care, a few weeks ago, I received a letter from people in my riding of Saint–Hyacinthe that was quite meaningful and may illustrate the awful and disrespectful treatment we give to veterans and their families.

Mr. Hervé Bélanger, the secretary of branch 102 of the Royal Canadian Legion in Saint–Hyacinthe wrote the following: "The executive committee of branch 102 learned recently that veterans living in the Sainte–Anne–de–Bellevue Hotel"—veterans injured in active duty—"will have to pay more for their rooms, as rates will go from $547 to $703.80 per month this year, or a 28 per cent increase", all because of a decision taken by this government.

Do you know how much rates have gone up for these veterans since 1990? They pay 198 per cent more. But because there are very few of them, and they do not have the energy and strength to get organized, after having served their country, and in some cases lost a limb—some families were left fatherless—, they cannot get organized, their numbers are dwindling, and they are not a force to be reckoned with, so the Liberals have no use for them. The Liberals do not see them as an organized lobby, so they think nothing of slashing their assistance. This shameful slashing is taking place because they do not have names like Bronfman or Desmarais, and because Liberal ministers never visit them as they visit the Desmarais and the Bronfmans, even if it means going as far as California. So, they are not accorded fair and just treatment.

For all these reasons, not only during the vote, but also after, and during the referendum campaign in Quebec, the official opposition will strongly and firmly reject Bill C–76 as well as this government which is more centralizing than any other government—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member for Saint–Hyacinthe—Bagot, but his time has expired.

Debate resumes with the hon. member for Kootenay East.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I appreciate the round of applause from my Bloc friends very much.

Coming to the House, I have come to the conclusion that one does not have to be crazy, but it helps. It makes me think of the situation where the inmates are in charge of the asylum.

The government came here on a promise of openness. The government came here on a promise that we were going to be able to get into debate, get into a situation where the people of Canada were going to be represented in the Chamber. As opposed to openness, what have we had? Closure.

I refer to a very profound one–minute statement made by my colleague from Calgary Centre yesterday, and I know that Liberals would want to hear it again:

> In opposition the Liberals howled at Brian Mulroney with righteous indignation over his government's use of time allocation to ram through legislation. With such sincere compassion for democracy, one would expect this Liberal government's record in the use of time allocation to be squeaky clean compared to Mulroney. Let us compare.
>
> Mulroney used time allocation 35 times to pass 200 bills. That is 17 per cent of his bills. Shame on him. Counting today's time allocation motion, the little guy from Shawinigan has used time allocation an unprecedented 11 times in only 59 bills. That is 19 per cent of his bills passed using time allocation, 2 per cent more than Mulroney.
>
> Congratulations, Liberals. A parliamentary record. Does this mean that this Prime Minister is less democratic and even more arrogant than Brian Mulroney? Is that possible?

• (1145)

It is a very good question. Time allocation is absolutely inexcusable in that the Liberals have on Bill C–76 turned 180 degrees from their red book. There is no mandate on the part of the government to be able to bring forward Bill C–76.

Why would we be into a situation of time allocation? The House might be interested. The list is moderately exhaustive but it is important to get on record how the government has either exhibited poor management and planning or, in the alternative, legislation by stealth.

Poor management and planning would say it is impossible to understand that the following bills in the Commons are awaiting start or completion of second reading, all of which are supposed to be completed by June 23: Bill C–62, an act respecting the achievement of regulatory goals; Bill C–71, an act to amend the Explosives Act; Bill C–78, an act to provide for the establishment of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions; Bill C–81, an act respecting the Buffalo and Fort Erie Public Bridge Company; Bill C–82, an act to amend the Royal Canadian Mint; Bill C–83, an act to amend the Auditor General Act; Bill C–84, an act to provide for the review, registration, publication and parliamentary scrutiny of regulations and other documents; Bill C–88, an act to implement the agreement on internal trade; Bill C–90, an act to amend the Excise Tax Act and the Excise Act; Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada; and Bill C–92, an act to amend the Canadian Wheat Board.

That is not all. The next list is of bills in committee: Bill C–7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act; Bill C–58, an act to amend the Public Service Staff Relations Act and the Royal Canadian Mounted Police Act; Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act; Bill C–64, an act respecting employment equity; Bill C–66, an act to amend the Western Grain Transportation Act; Bill C–68, an act respecting firearms and other weapons; Bill C–72, an act to amend the Criminal Code on self–induced intoxication; and Bill C–85, an act to amend the Members of Parliament Retiring Allowances Act.

I might have something to say about that act in a couple of minutes.

The list continues: Bill C–86, an act to amend the Canadian Dairy Commission Act; Bill C–87, an act to implement the convention on the prohibition of the development, production stockpiling and use of chemical weapons and on their destruction; and Bill C–89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act.

Then we have bills awaiting or in report stage: Bill C–41, an act to amend the Criminal Code on sentencing; Bill C–45, an act to amend the Corrections and Conditional Release Act, the Criminal Code, the Criminal Records Act, the Prisons and Reformatories Act and the Transfer of Offenders Act; Bill C–52, an act to establish the Department of Public Works and Government Services; Bill C–65, an act to recognize and dissolve certain federal agencies; Bill C–70, an act to amend the income tax application rules; Bill C–75, an act to amend the Farm Improvement and Marketing Co–Operatives Loans Act; and Bill C–76, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 27.

Just to top it off, bills awaiting start or completion of third reading: Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Act, the Children's Special Allowances Act and the Unemployment Insurance Act.

• (1150)

It begs the question of why the backlog is sitting there. Is the government actually in a situation of such poor management and planning that it would be expecting the House to be working exhaustive hours and that it would be expecting to be able to shove this kind of legislative package through in such a short period of time because of poor management and planning? Is that the reason, or is it legislation by stealth?

Legislation by stealth happens when a government decides it will regularly and frequently use time allocation, as pointed out by my colleague from Calgary Centre. One interesting things happens when we get into legislation by stealth. We end up with legislation by exhaustion.

The standing committee that considered Bill C–68 finally rose at 1 a.m. I sat in on a few sessions which were very detailed and thoughtful. I commend the chairman of the committee for listening to all sides of the question, treating the motions by the opposition as serious motions, and allowing time for discussion.

To show the House how we end up with legislation by exhaustion, the parliamentary secretary to the justice minister brought in no less than 79 amendments to the legislation on behalf of the justice minister. Why in the world would a bill be so flawed, so full of holes, so badly drafted that the government would actually have to bring in 79 amendments to its own legislation? That is unheard of.

It is really hilarious that in committees there are a few rogues but as a general rule we find members vote the party line. The parliamentary secretary who sits in the meeting will say: "I really don't think this is good". Guess what? We end up with party members voting the party line. That is the way it happens in the House too.

In this instance I am happy to report that under legislation by exhaustion, as is being practised by the government, 2 of the 79 amendments brought forward by the parliamentary secretary were rejected by members of his own caucus. That is how disorganized the Liberals are. That is what happens when we end up with legislation by stealth and hence legislation by exhaustion.

It permits rushing bills through the House such as Bill C–76. The government has no mandate to bring it to the House. It allows the government to push it through under time allocation. It will also be able to push through Bill C–68 and Bill C–41, two of the more contentious bills, under the whole ruse of time allocation and pressure because there is so much legislation. It could have and should have been properly planned so the people of Canada and their points of view would be properly represented.

In a couple of minutes I will talk about the relationship of high taxation to Bill C–76 and the lack of understanding on the part of the Liberals with respect to high taxation. Before doing so, I quote the from an article in the Calgary *Sun* on the weekend entitled "Tax cheats grow" about the frustrations of Canadians:

> COMPAS' survey of 820 adult Canadians last month showed respondents frustrated by corrupt politicians, government waste, overpaid officials and high taxes, in that order.
>
> It's a common sense moral view that says if our leaders cheat I'm going to cheat.

I want to make it very clear that I am not suggesting for one minute anyone in the House is cheating.

• (1155)

However I am talking about the perception of many Canadians in casual situations around the kitchen table or in a coffee shop. Common sense says that they do not understand what politicians are doing and think they are out of control. That is why I find legislation by subterfuge, legislation by pressure, to be completely unacceptable particularly when it comes to the issue of MPs pensions.

MPs pensions are a focal point or a pressure point the government chooses to completely misunderstand. Just because a few high paid people are at the front end who are in for the millions of dollars, the majority of backbenchers are prepared to go along with it. It is absolutely outstanding. In this case we have pressure on parliamentarians to bring the matter forward. I predict the MPs pension plan will be slid into the House and out of the House just as quickly as possible. Therein lies the frustration of people with coffee shop common sense.

I will deal with the bill specifically. Clause 38 of Bill C–76 gives cabinet far too much arbitrary power and discretion to decide how much to withhold and when and why transfers to provinces should be withheld. More significant, it allows cabinet to withhold any federal transfers, not just transfers under the CHST.

Clause 48 is probably the single most troubling clause. In the departmental briefing our researchers attended, officials told them their legal interpretation of section 13(3) was that it would be possible for the federal government to unilaterally impose national standards. If the government cannot provide us with a guarantee that any national standard must be arrived at with unanimous provincial consent, we could not possibly support the clause.

We have a tremendous amount of difficulty with clause 50 and clause 51. They deal with the whole Liberal mindset of giving the government executive power, giving the government power that actually puts it in a position where it no longer has to refer to the House.

I think back to last June when we were in the pressure cooker. The government jammed through legislation on the Yukon Indian land claim settlements and Yukon self–government. It was jammed through the House. The difficulty is that although there were 14 land claims settled, only 4 were covered by the legislation. It means that kind of thing can come back to Ottawa and never see the House. There can be further settlements on behalf of the people of Canada by a closed group of people in the executive of government. It will never have the transparency that it must have in a democracy. It is just absolutely unacceptable.

We really have a lot of difficulty with clauses 50 and 51 in Bill C–76. Basically they give cabinet too much authority with respect to determining what is or what is not a violation of the CHST. They allow the government to withhold any federal transfer, not just the CHST transfer, if it concludes there has been a violation.

This raises the question of why they would do it. Why would they have this executive power? Why would they put this clout in the hands of the federal government? One of the main reasons is that it is a confused attempt to control social expenditures.

The government is famous for saying that it will be preserving health care. What an empty threat. As it keeps on diminishing the amount of money that is transferred to the provinces to administer the program, how in the world will they have any clout to preserve health care? The difficulty I have is the basic question that if the government is talking about preserving health care and if the government is doing away the ability to transfer funds to the people, how will it do it? It will do it by having the legislation and being able to point to the legislation. It is basically like saying we know we will not be transferring any money but if we could, we would not. It is an absolute joke.

• (1200)

It also gives rise to concern about what is happening in Ontario where Lyn McLeod with her Liberal red book has absolutely laid an egg. The provincial red book being brother of big red book is seen for what it is, basically empty promises.

I and every person in Canada with the exception of members on the other side have seen from the time that Lyn McLeod introduced the red book her popularity started to slide. It is because people said they will not be taken in again.

With the will of the people of Ontario talking about workfare and with these clauses that give the ability to the federal government to withhold funds, is the will of the people of Ontario to be thwarted by the people in Ottawa who will say they will not be transferring sufficient funds for a workfare program? It has to be considered.

I talked earlier about tax increase. One of the wildest ones was the roll back of the Public Utilities Income Tax Transfer Act. Capital is capital, money is money; whether public or private, money is money and should be treated exactly the same way.

This was a direct slap to the people of Alberta. I am absolutely astounded the Minister of Natural Resources of all people did not have the fortitude to stand up to this onslaught on people and industries in Alberta. It is really shameful she backed off and was not there to be counted.

Perhaps I should explain my understanding of what the Public Utilities Income Tax Transfer Act is. Crown corporations such as B.C. Hydro and Ontario Hydro are not subject to certain tax provisions from the federal government, whereas private corporations that might be in the same utility business such as Trans Alta and other corporations like that are.

The purpose of the PUITTA was to give a credit. In other words, the public utility privately owned would then end up paying the taxes and receive a credit back from the federal government. By rolling it back the government under a different guise and under a different name basically gave a tax increase to the people who rely on the utilities in Alberta. It was not only Alberta, it was Nova Scotia and Labrador, two areas that can least afford that kind of subterfuge in terms of a tax increase.

In the case of Nova Scotia, one of the most interesting things is that there was an attempt on the part of the provincial government to turn around and get out of the hydro business. I suggest it is something that might be considered by Ontario Hydro, B.C. Hydro and the rest of the public utilities. There is a place for government and there is a place for private enterprise and the efficiencies that come with private enterprise.

Now if it does we can count on the fact that the federal government will have its hands in the wallets of the people of any other jurisdiction who choose to make what could be a very sound judgment otherwise.

I see two fundamental problems. I combine the issues of integrity and leadership. From the *Financial Post*: "High taxes turn Canadians into cheats". I will quickly address the question of integrity and leadership. From a June 3 article concerning a poll done recently for the *Financial Post*: "They cheated because they were disgusted with governments, politicians, regulations, the welfare system, bureaucrats and excessive taxation. Excessive pay to officials and politicians, government waste and especially political corruption are the main drivers of citizens' desires to tax cheat. The message for politicians is they should focus on their own personal conduct if they do not want citizens to destroy the welfare state through the silent rebellion of tax cheating.

• (1205)

"Besides documenting the degree of outrage and dissatisfaction with the government in this country this poll reveals that Canada's current levels of taxation are simply not collectable from a large segment of the population. Put another way, it means that most Canadians are unwilling to support the current level of government spending".

That is instructive because in the Reform Party's taxpayers budget we recognize that. We balance the budget. We stop the overspending within three years without one dime of a tax increase. This survey absolutely underscores that. I repeat: "Put another way, it means that most Canadians are unwilling to support the current level of government spending". There is absolutely nothing to give me any cause for comfort that the government has that message yet.

What happens when the government does not listen? What happens to taxes and tax cheats? Here are a few of the points discovered by this survey. Two out of five or 42 per cent admitted paying cash for goods or services in order to avoid taxes, GST or provincial sales taxes. One out of five or 20 per cent admitted they have hidden income in order to evade income tax.

Another 14 per cent said they have either smuggled or bought smuggled cigarettes or alcohol to avoid paying taxes on these commodities; 72 per cent said they would pay cash to avoid taxes if given the opportunity; 56 per cent said they would hide income if they could; 34 per cent said they would buy smuggled cigarettes or alcohol or smuggle them into Canada if they had the opportunity; 13 per cent admit they cheated whenever possible by paying cash; 5 per cent hid income whenever possible; 3 per cent bought contraband goods or smuggled goods whenever possible.

Further on in the survey it was pointed out that 15 per cent of Canadians said they will definitely tax cheat in the future by paying cash under the table; 8 per cent said they would hide income; 5 per cent would buy contraband or smuggle goods. Of all surveyed, 53 per cent said they personally know people who pay cash under the table; 37 per cent said they know cigarette or alcohol smugglers or buyers of contraband; 36 per cent said they had knowledge of people cheating by hiding their income.

A staggering 77 per cent of those polled said they have become more determined to avoid taxes than before. Of this percentage, 42 per cent said they are much more determined to avoid taxes; 35 per cent said somewhat more determined. Only 16 per cent are less or somewhat less determined to avoid paying taxes in the future.

This comes about in my judgment through the lack of a clear exhibition of integrity and leadership on the part of politicians. We have a core problem, integrity.

I have come to know some of the government members and I appreciate them, their friendship and their integrity. In the last election under the red book and under the promises and under the whole political process, were they ignorant that they could not fulfil the promises or did they get into government by stealth?

There is one person in my mind in the House who stands out as being a person of quite exceptional integrity. This person was joined by the member for Halifax and the member for Beaches—Woodbine in a press conference clearly setting out his objections to Bill C–76. All three of them were absolutely decrying Bill C–76, how it could not work, how it should not work, how it was turning its back on the principles under which the government was elected. All three did it and only one of them still stands to this day, the hon. member for Notre–Dame–de–Grâce.

• (1210)

Let me make my position really clear. There are very few things which the member and I would find in common. I totally disagree with his position on gun control. I completely disagree with his position on criminal sentencing and the rest of those provisions, and I absolutely reject his position on Bill C–76. He came to the House, elected by the people of Notre–Dame–de–Grâce to represent them as their member of Parliament. He said he would stand up for what he knows to be right.

In a quote from the Ottawa *Citizen* today, under the member's name who will vote against the budget:

> Accusing the Liberals of betraying their principles and reneging on campaign promises to protect social programs, the veteran member is planning to vote against his government's budget today.
>
> "I cannot contribute to tearing down a system which I for 29 years in the House helped build up with the Liberal Party", (he) told the Commons during final debate Monday on a bill to implement last February's budget.
>
> The bill contains provisions to cut $7 billion from federal transfers to the provinces for welfare, post–secondary education and health care and role those transfers into one block fund.
>
> (He) predicted the social program cuts will hit those in need the hardest, "widen the gap between the rich and poor" and lead to "social unrest and increased crime". And he said they could "quick start or aggravate a recession that might be coming on".

I want to reiterate I do not agree with the member's point of view. I would find it impossible to stand with him when he votes against this bill on the same matter of principle. I think he is completely wrong. It even borders on being immoral when the government of the day turns around and says to members on the gun control bill: "You did not vote our way, you are out".

This member has been an outstanding chair of the justice committee. What will happen? Is the Prime Minister to oust him as well? What happens when he does? What he does then is undermine the whole issue of integrity and leadership on the part of politicians.

In 1994 the government had a unique opportunity. It is true that its members came to Ottawa either in ignorance or stealth, misunderstanding the reality of what was involved with the economics of the day, totally missing the mark, decrying the fact that the Reform Party had the audacity to tell people the biggest single problem was the debt and the way it was eroding social programs.

In 1994 they missed the opportunity. They arrived here with unrealistic expectations, and clearly the budget of 1994 showed that. In Bill C–76 and under the budget of the finance minister for the first time in 25 years we saw a real cut in spending of a net reduction of approximately $10 billion. Unfortunately because the government arrived here with unrealistic expectations, in the intervening period from October 1993 until February 1995 guess what? Interest charges had increased $10 billion. Here we have this government taking $7 billion out of social spending, a total reduction in expenses of $10 billion, which will impact everyone in Canada, only to pay the extra interest on the money that they have had to borrow in the same period of time. It is called treading water.

• (1215)

At the moment under the government we are giving away our sovereignty. He who pays the piper calls the tune. Right now we are turning that tune over to foreign investors who are coming in and in their own wisdom are continuing to fund the expenditure binge of the government.

The government is taking Canadians $110 million further into debt every single day. That is $1,800 per second. We are further and further into debt. We are destroying our ability to sustain health care and pensions.

I decry the government's lack of leadership and its offloading on to provinces. It fails to realize that there really is only one taxpayer.

I also draw to the attention of the House and to Canadians the fact that it is bringing pressure and through that pressure are bringing interesting ways to be able to push legislation through the House.

I call on Canadians to make the government accountable. Do not give it the free ride it is getting at the moment. Make it accountable in its constituencies by phone.

Finally, in bringing forward Bill C–76 the government shows a lack of integrity, because there is no mandate for it to bring forward Bill C–76. As a consequence, I will be voting against Bill C–76.

Ms. Marlene Catterall (Ottawa West, Lib.): Madam Speaker, I am pleased to participate in this debate.

This is not an easy budget and it certainly has been the subject of a great deal of discussion. It does signal some fairly significant changes in the way government in this country carries out its business and its service to Canadians. Nonetheless, notwithstanding what the member who just spoke had to say, I think we realized very well when we ran for election in 1993 and when we made certain commitments to Canadians as part of that election that this country was facing a difficult economic situation.

Certainly a good part of the commitment we made to Canadians was a commitment to deal with that very difficult economic and fiscal situation. This budget is stage two of doing that and of continuing our two prime commitments to the country: one, jobs and economic growth to provide a more prosperous future for all of us and for those who come after us; and as part of that, deficit reduction to a target of 3 per cent of GDP by 1997, half of what it was when we took office.

It is really important to remember that without achieving that target many of the other things that we want to do as a government and that I believe Canadians want to do as a nation will not be achievable.

Let me speak of a couple of things in particular on which I have been receiving a great deal of feedback from constituents and from others. One thing is the Canadian health and social transfer, which is certainly a cause for significant concern. It is one of those major changes I talked about in how we carry out our responsibilities as a government in this country. I do not think it helps to pretend that it is not a significant change when it is. However, it was a necessary change in order for the federal government to maintain some influence and some impact over health and social programs and post–secondary education.

• (1220)

By combining the transfers to the provinces to cover those three fields of post–secondary education, health, and social services, what we are doing is maintaining the ability with smaller amounts of money to have some influence on all three areas of expenditure.

I think we are also getting rid of some rigidity in the system. As one who has worked closely with a number of agencies in my community, I am well aware of the frustration that has been there with the stringent requirements of existing social programs and the existing Canada Assistance Plan Act, which prevents really innovative and often preventive programs from being funded under the current act and under the current transfer programs. As a former municipal councillor, I well remember the frustration of some very good programs not being eligible for federal funding.

The combined transfer allows the provinces to be more innovative. I expect and hope to address prevention in the delivery of all three of those programs. It also signals very clearly that those three programs are very much linked. Education is very much a part of solving some of the social problems this country has. Health is very much a part of solving both educational and social problems that we have.

I would like to provide some information that will make that point very clear. Let us look at the poor children in our country. It is a shame for a country with the wealth that Canada has to have well over a million children living in poverty. A poor child is four times as likely to become seriously ill, die, or even commit suicide. Poverty has a direct impact on our health services and of course on the quality of life for those families living in poverty. A poor child is only one–quarter as likely to go to university as the average Canadian child.

I learned a long time ago that these issues are not separate from each other. There is not much point in treating an elderly woman for bronchitis and then sending her back to a damp basement apartment because she cannot afford adequate housing and does not have enough money in her purse to feed herself properly. She will soon be back, if not with bronchitis then with something more serious, unless the whole problem of her social environment and the amount of money she has to live on is dealt with.

With the combining of these payments I certainly hope that the provinces will start recognizing the link between these three fields of public policy and public spending and start to set the priorities so that we are dealing in preventive ways. We are concerned about the extra cost of our health care system. Yet I believe that unless we deal with the social problems, in particular the issue of poverty, which tends to contribute to ill health, then we are never going to solve the problems of an ever growing cost of health care.

People are concerned about national standards and so am I. Very clearly we are setting the residency principle that no matter where you live in Canada, people cannot be required to be a resident of a province to be eligible for social assistance.

• (1225)

There are two other principles, which are not incorporated in the legislation and which I am concerned about and have heard concerns about. It is all the more important to recognize that the combining of payments to the provinces is a way of keeping some clout in all three fields as our share of those expenses diminishes. That has been happening under the existing agreement and will continue.

I hope we will endeavour to negotiate as national principles with the provinces that need be the basis of establishment—anybody in need would be eligible for assistance—and that there be an appeal process to the social welfare system.

Another issue of great concern to my constituents is the significant and dramatic changes we are making in the public service.

We have taken a thorough look at what government does, and in virtually every area of government activity we are looking for better and more efficient ways to serve Canadians at less cost. The result of that over the next three years is going to be a substantial reduction in the number of people working for the public service.

There are measures in the bill that will make it easier for those affected by the downsizing to get on with their lives in a number of ways. We expect a vast majority of people will take advantage of the early retirement incentive, which has already been passed in regulations. It will enable them to leave the public service on full pension and remain in their communities as contributing members.

The second measure in the legislation is the early departure incentive, which will allow people to voluntarily leave the public service and get on with other opportunities or another job.

I compliment the President of the Treasury Board for showing some flexibility on how the downsizing is being managed and for doing what appears to have been resisted a few months ago: allowing people who are interested in leaving the public service to vacate their jobs and make room for somebody else who does not want to leave at this time.

As long as we are spending one third of the taxes we collect from Canadians just to pay interest on the debt, there will continue to be pressure on our social programs, pressure on the services government can deliver. It is extremely important therefore that the primary direction of the budget is to reduce the deficit, reduce the amount we are wasting on interest. I regard it as a waste because it accomplishes nothing for us. Yet the amount continues to spiral every year and will continue to eat away at everything we want to accomplish as a government and as a nation.

I encourage the finance minister to continue with greater tax fairness, as he has done in the budget. I encourage him to look at every way possible of reducing the foreign debt, because it is money going out of our economy and not being taxed in Canada

There are things that many of us do not want to see in the budget, but I believe that fundamentally it is heading in the right direction.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I appreciate the opportunity to ask some questions today and to make a comment or two.

I listened thoughtfully to the member's comments regarding Bill C–76, the matter before us today for third reading. I found her remarks quite interesting.

• (1230)

I do have a couple of questions I would like to ask. The first question relates to the farm subsidies that are important to the people in my constituency. The second question relates to the health transfer. These are matters I addressed yesterday at report stage.

I am quite concerned about the long term implications on the prairie economy, particularly on those communities that are affected by the elimination of the Crow benefit as a result of this legislation. It has been estimated that each delivery point on the prairies served by the Western Grain Transportation Act will lose approximately $1 million annually as a result of this legislation.

Within my constituency are some 40 to 45 elevator points that could be classified in this category. This means that the farm communities in my constituency will lose $40 million to $45 million a year in funds that are currently in those communities. For example, $1 million every year out of the town of Glaslyn is quite significant.

This is the first question I want to put to the hon. member opposite. In any of her discussions with her colleagues, whether they be members of the cabinet or just members of her caucus about support for this bill or in any of the research she has done, has she seen or investigated any reviews that look at the implication of the removal of the subsidy on the farm communities of western Canada?

This money is supposed to be replaced by investments for value added production. I wonder if she knows of any study that has been done of where the investment capital is coming from to support the value added production on the prairies?

The Acting Speaker (Mrs. Maheu): The time for questions and comments should you wish an answer is nearing an end. Would you please give the member time to respond if you wish her response.

Mr. Taylor: Madam Speaker, I appreciate your intervention. Although I have other questions for the member, perhaps if I could have an answer for those two, it will satisfy me for the time being.

Ms. Catterall: Madam Speaker, I do not represent an agricultural community although the preservation of the agri–food industry and the preservation of strong agricultural production in this community is of great concern to me and to my constituents.

I am not an expert, as the member well knows, although I understand his need to make these statements and ask these questions in the House. He knows this is not an area of expertise for me and it would be unfair of me to even try to provide an answer to the kinds of questions he has asked.

I am sure the minister would be more than happy to share with him any reviews that have been done to provide whatever level of briefing he would like to have provided to him and to answer any questions he has.

I am quite surprised he is asking these questions in the House of somebody he knows does not have expertise in that field instead of already having sought those answers from the minister. After all he has had over two months to follow up. I would encourage him to do that since I know the minister would be most happy to co–operate in providing him with any documentation and any explanations he needs for his constituents.

• (1235)

Mr. Taylor: Madam Speaker, on a point of order, could you clarify for me how much time was used on questions and comments?

The Acting Speaker (Mrs. Maheu): A little over five minutes.

Mrs. Jane Stewart (Brant, Lib.): Madam Speaker, with pleasure I rise to debate third reading of Bill C–76. As you know, I am a member of the finance committee and have been inextricably intertwined with the development of this bill for the last nine months.

Nine months ago the Minister of Finance came to the committee and directed its members to begin the first ever prebudget consultations. This was the first time the finance committee went out in advance of the preparation of the budget to talk with Canadians about their will, their concerns, their interests in the preparation of what is possibly the most important aspect of the legislative year.

During the debate committee members talked with over 600 members of the Canadian public about the budget. Despite what the member for Kootenay East said in his reference to time allocation, I can say unequivocally that this budget has probably had more discussion, more debate, more consultation than any budget to date in the history of the Parliament of Canada.

When we talked with our fellow citizens it was clear and interesting the level of consensus that we were able to build. The message from the Canadian public, from region to region, was very similar. In effect, they agreed that the government must take responsibility, that the deficit must be reduced and the debt managed. There was agreement to that. There was agreement by and large that the method of reduction should focus on expenditures as opposed to revenue or tax measures.

The people of Canada said to the committee, as members of government and members of Parliament, to take a message back to the minister that said start with government and then move to program reduction, but please start with government, get your own House in order. That made sense to us.

It was in December when the committee reported to the Minister of Finance. Then as an individual member of Parliament I went to my riding of Brant and had lengthy discussions with the constituents there. I had public forums and individual groups of Canadians actually took it upon themselves to think about the issue of budgetary management and fiscal responsibility. I congratulate them for the time they spent in preparing briefs that were subsequently presented to the finance minister.

After that we waited. The budget was presented in February and in the interim we know what the international community was like. Things were upset financially. The international community challenged us to make sure that a tough budget was brought in. We watched with trepidation, with worry but knowing all the time that the minister would respond directly to the information he received from the committee and from those of us who as members of Parliament provided him with our points of view and the points of view of our constituents.

In February the minister did proffer a budget that responded to the needs of Canadians. He clearly indicated a direction so that we will move to a deficit of GDP ratio of 3 per cent as we promised in our election platform and in the red book. He has listened to Canadians because the deficit is being reduced primarily through expenditure reductions versus revenue measures in a ratio of seven to one.

Finally he responded to the issue of getting government right, saying that cuts will be made in government first and then move to programs. When this is looked at we find a new structure has been created for the federal government. We are embarking on a change in the role of the federal government.

As the system of legislative review progressed the finance committee took the budget bill into committee and continued its deliberations and its open consultations with the people of Canada and talked further about the details as they had been laid out in Bill C–76. It was interesting that the focus of the debate in committee shifted. People feel that the government has taken fiscally responsible initiatives.

• (1240)

The nervousness in the public marketplace has quieted and we are now looking at the thing which we call new government structure. We spent a lot of time talking about the structural changes, because they are different.

I have to make the analogy that we have given birth to something which is quite new. It is significantly different from what the people of Canada have seen in the past. Government has been restructured. Many departments have been downsized. There will be a physical downsizing of staff to the tune of 45,000 individuals. Longstanding Canadian assets, CN for one, will be privatized. Finally, but not exclusively, the way that some transfers to the provincial governments are made will be changed.

We have something which is distinctly new and something which is very different. Our job now as a government is to recognize that we have created a fiscal framework which is fiscally responsible and under which we as a Liberal government must continue. We must develop our baby in a very Liberal way.

We looked at the strategies which the government has planned. The Minister of Human Resources Development will be presenting a new strategy for unemployment insurance in September. The government is undertaking and will over the next year begin discussions on pension review, looking at the CPP and all the bits and pieces that go into providing a safe and secure retirement for Canadian citizens.

The new block transfer to the provinces has to be looked at very carefully. It is quite a different transfer than in the past. It is a block transfer. It contains the same standards of requirement for health care, but it addresses education and social assistance as well. We have to be very careful with that transfer because it does talk to our future as a country.

I was fascinated by the witnesses as they came before the committee and encouraged us to maintain national standards, a federal presence in the continuing development of those programs, while recognizing the need for flexibility and control in the provinces. With that transfer we have provided an opportunity to do just that.

The Minister of Human Resources Development will be working very closely with the provinces to build a mutual consent on the development of new principles and guidelines. That speaks volumes about a new structure, a new role for the federal government, and its responsibility to facilitate discussions among the provinces to find the best possible strategies to provide health care, solid post–secondary education and social assistance. It gives the government a new opportunity at the federal level to use different strategies and not just the control of cash, which continues to be very important.

In the report to Parliament at report stage the finance committee indicated that it would prefer that the Canada health and social transfer continue as part of the federal responsibility over the next number of years. However the government must facilitate discussion. It must consider using new technologies and new techniques, perhaps like a social audit, comparing provincial successes in these different areas. That is the job which we as parliamentarians take.

One of the critical situations which will occur is the loss of 45,000 public servants. I recognize that our public service is the best public service in the world. As did my hon. friend from Ottawa West, I would like to mention that the President of the Treasury Board did respond to the very good submissions made by the public service unions and has put together a labour and management committees to ensure that the downsizing is done in a humane, fair and equitable manner.

• (1245)

These kinds of activities speak volumes to the kind of government we are. It will be important for us as a government to now work within a new fiscal framework, to continue the Liberal tradition of providing fairness, equity, compassion and understanding so that we continue to be the best country in the world in which to live.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, my comment relates to my earlier intervention. I did ask the member who spoke just prior to this member some questions about the farm economy. The bill in fact addresses the farm economy quite significantly. Whether or not members of this House are from farm constituencies, they have an obligation to understand the implications of legislation on all Canadians regardless of where they live.

I would have thought that a bill that has such substantial impact on rural Canada would be something that all members of the Chamber would be able to address. It seems to me that we as MPs have an obligation to Canadians as well as our own constituents.

The member indicates she is a member of the finance committee. Is she aware of any studies relating to the long term implications of this legislation on rural communities? Specifically where will the investment to replace the lost income come from to ensure that these communities are able to continue to exist?

Keeping in mind what I said earlier, in my constituency alone income that presently exists, up to some $40 million a year will be lost as a result of this bill, all from rural communities. A considerable investment will have to be made in order to make that up.

My other question deals with the health care part of the bill. The member will recall that earlier this week the Canadian Hospital Association expressed what it said amounts to a call to arms against the plans in this bill for health care. Essentially the Canadian Hospital Association president said that the reluctance of the federal government to match its moral commitment with a financial commitment is inexplicable.

Can the member of the finance committee explain what has happened to the federal government's fiscal commitment to health care?

Mrs. Stewart (Brant): Madam Speaker, the member spoke directly to the comments I made earlier. The point I was making is that this budget creates a whole different structure for the federal government in terms of what it looks like and the role it plays.

When we look at the implications for agriculture particularly, I represent a combined rural and urban community. I am very sensitive to the needs of rural Canada. I can tell the hon. member without a doubt that the rural members in our caucus have talked long and hard about the implications here as we have done with health care, with education, with downsizing, with all the structural changes that are occurring as a result of this budget.

The minister who is responsible for agriculture and agri–food is from Saskatchewan. Rest assured that the issues facing rural people are front and foremost in our caucus, in our cabinet. We do recognize that we have to watch the implications of this budget in the long term and plan to ensure a strong and healthy future for rural Canada.

When we talk about the health issues, the government is fully and totally committed to the five pillars that currently exist under the Canada Health Act. That has not changed and will not change. It is a hallmark of our government to maintain full and solid health care for Canadian citizens.

• (1250)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, to speak on this bill to implement the budget is a challenging task, as it forces us to put in plain words the sweeping changes proposed in this budget, changes which will affect provinces with the largest percentage of underprivileged people more than the others, and Quebec in particular.

The federal government announced its intention to bring about deep structural changes in Canada and that is what it is doing with this budget, without any debate except for this budget debate. This budget is choking the provinces which are the worst off by reducing transfers dramatically. At the same time, the central government keeps making surpluses on the UI fund. Now, the government wants to retain the ability to impose on all the provinces common direction and principles.

I will start with this latter aspect. First of all, let me remind you that, as soon as this bill was introduced, the Bloc Quebecois denounced the excessive powers the federal government is giving itself with this bill, presumably to implement as required national standards to other social programs.

Since social programs are later described, in clause 53, as including programs in respect of health, post–secondary education, social assistance and social services, it is obvious that the government intends to use transfer payments to impose standards regarding other social programs as required.

Our interpretation was endorsed by many. But when the Official Opposition held an opposition day on the budget and Bill C–76, the Minister of Finance furiously criticized this interpretation. Strangely enough, to be able to criticize us for our misinterpretation, the Minister of Finance himself had to put forward amendments to his own bill. That is right, Madam Speaker.

An hon. member: Himself?

Mrs. Lalonde: Himself. We, in the Official Opposition, have not been sitting in this place for very long, but from what we are told, it is quite unusual for a finance minister to put forward, just to prove his point, amendments to his own legislation, amendments which in this case were submitted in writing only weeks later.

When the Minister of Finance takes the trouble to prepare amendments well in advance, you figure that this time, he is going to try and fine–tune the bill and incorporate what he says into the act. So, what did he say?

He said: "We want to give flexibility to the provinces." Great! Now, what does his own amendment to his bill say? Basically, it says the following. Perhaps it comes as a surprise to the finance minister that the Official Opposition can read bills.

• (1255)

Clause 13 essentially says this: Subject to this Part, a Canada Health and Social Transfer may be provided to a province [—]for the purposes of: (*a*) establishing interim arrangements to finance social programs [—].It has been said that the provinces should enjoy greater flexibility. (*b*) maintaining the criteria and conditions in the Canada Health Act [—]; (*c*) maintaining the national standard, set out in section 19 [—]; (*d*) promoting any shared principles and objectives that are developed, pursuant to subsection (3), with respect to the operation of social programs [—].

Again, what are these social programs? They are those we identified earlier: post–secondary education, social services and welfare. This clause can only be read as follows: "A Canada Health and Social Transfer may be provided for the purposes of", among other things, "promoting any shared principles and objectives that are developed, pursuant to subsection (3)".

The government will use the transfers to promote these principles. Ah! Whenever the central government uses its transfers to promote something, there is cause for concern. As the old saying goes, "Old habits die hard".

What does subsection (3) say? It says this: "The Minister of Human Resources Development shall invite representatives of all the provinces to consult and work together to develop, through mutual consent,"—not unanimous consent but mutual consent—"a set of shared principles and objectives"—for the social programs being referred to, namely post-secondary education, social services and welfare—"that could underlie the Canada Health and Social Transfer".

The only good news is that the Minister of Human Resources Development would invite representatives of the provinces. Yet, since the minister was elected, he has not seen fit to invite the provincial employment and human resources ministers. It says that he would invite them, but it does not say when.

That clause, with its various paragraphs and sub-paragraphs, can only be interpreted as reflecting the federal government's intention to use transfers to promote principles which are not unanimously approved—thus leaving the possibility that Quebec, and perhaps other provinces, might not agree—, but which are common principles. The idea is to use transfers to promote common principles.

Considering how careful the Minister of Finance was before submitting his amendments, it is clear that the government intends to meddle even more in provincial matters. The goal is crystal clear: to ask the provinces to follow common principles and objectives regarding post-secondary education, social services and social assistance.

However, the provinces are fed up with the cuts announced. What are these cuts? I will repeat them, but I will use a different perspective. We were told on numerous occasions that these cuts would total $7 billion but, in fact, it is more than that and those who are listening to us realize that.

When someone's salary is reduced—for example, if a person earning $450 a week is told by the employer that he or she must accept a $150 cut per week so that the company will survive—that person knows that the cut is either temporary, which means that he or she will lose $150 multiplied by the number of applicable weeks, or permanent, which means that he or she will lose $150 every week.

• (1300)

However, when the provinces are faced with a $4.5 billion cut one year, followed by a $2.5 billion the next, the total is not just $7 billion. From 1994-95 to the end of 1997-98, the provinces will have been deprived of $12.3 billion. This means that the cuts which they, in turn, have to make are not temporary ones. They have to be structural cuts, since they do not even know what to expect next.

Quebec is particularly affected. It will lose at least 27 per cent of those $12.3 billion. This is an enormous amount, given that, from what we hear, the reform announced in Montreal, which raises so many concerns, will result in savings of only $180 million. I say only, because that is the sad truth. So when we hear members singing the praises of renewed federalism, I think they have a lot of nerve—and I hope "culot" is not unparliamentary—because the truth of the matter is that these changes will bring about major disruptions in the services that people receive. And thanks to federalism, these disruptions will be blamed on the provinces.

The provinces will have to cut spending, and the public will suffer the consequences this will have for health care, education, social services and welfare. National standards for health care will be maintained but the provinces will have to cut back drastically, perhaps not so much on health care but on education, welfare and social services.

The government announces reforms but makes these cuts without considering the consequences, because it wants to cultivate this image of a responsible government, and so it transfers the problems to the provinces and the private citizens. Meanwhile, and this is not in Bill C-76, it is in the budget but is not mentioned because it has separate legislation and the government is not going to meddle with unemployment insurance just now, the government is letting the Unemployment Insurance Fund run a surplus. Five billion dollars this year alone. Five billion dollars next year.

Soon there will be another recession, and people are predicting one, although we are right in the middle of a so-called upturn, but it is not a good time for everyone. It is not a good time for a lot of people, and now they are predicting another recession. When? Who knows? In a few months, in a year or two years, but the fact remains that the provinces, which have seen their welfare rolls increase even now, during this economic upturn, and it was like that this month in Quebec, the provinces will be stuck with dealing with an increasing number of people on welfare and the accompanying increase in social needs, while the federal government has this fund, so that it will not only be able to maintain unemployment insurance benefits but will also be in a position to lend a helping hand to the provinces while intruding on their jurisdictions. It will no longer have to set certain criteria for programs. It will make the decisions itself. The government itself will intrude into fields that are not its own.

• (1305)

Yes, Mr. Speaker, we are changing Canada. Much more surely than if we amended the Constitution, but not in terms of flexibility. No. The only flexibility in this is the flexibility to cut. Some flexibility. All the rest gives the central authority—as in Bill C-76 and other legislation—the central government powerful means to change the structure of Canada by making Ottawa even more the brains and operational centre of Canada,

to the point where the provinces will soon hardly even be regional structures, they will be branches of Ottawa.

Quebecers are a distinct people and form a distinct society. They have repeatedly tried to make a place for themselves in this country. Their demands were modest. Inadequate would be a better word than modest in terms of what Robert Bourassa asked for at Meech Lake. Quebec kept getting "no" for an answer. Now, reforms are being made, but not the reforms Quebec wanted. These reforms are in completely the opposite direction and they are leaving Quebec much worse off.

Quebecers now know that their only hope lies in solidarity, in combining their tax dollars so they can plan, be prepared and invest where they want rather than have the course of the province's development imposed by a central government, which cuts where it feels like it and collects money where it feels like it.

Those of us on the Standing Committee on Human Resources Development heard repeated calls for strong national standards across Canada, except in Quebec. We have nothing against generous social services for everyone, quite the opposite, but we want to establish our own standards, because peoples and nations organize themselves, run their economy and do business according to their own priorities and objectives.

Under existing conditions, Quebecers have no choice, if they want a future, but to gather up their money and their means and make their own laws and treaties.

[*English*]

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am very pleased to have an opportunity at third reading to discuss the federal budget and specifically the implementation legislation that we have before the House today.

There is no question in my mind that I fully support this budget. I fully support Bill C–76, the implementation bill that will bring it about. I believe that the actions the Minister of Finance has taken and the actions this government has taken are appropriate and necessary.

• (1310)

I understand that not everybody in Canada is happy with everything in the budget. However, the important thing is that most Canadians, although there are things in the budget they might not like, realize that the action that was taken was necessary, given the fiscal situation the country found itself in.

The average Canadian out there understands what members of the opposition do not understand. That is, if we are to have the government act responsibly and if the government is to cut back expenditures, then there will be an impact on individuals. Canadians understand that and know that is to happen. Because they realize the necessity of it, this budget has widespread support in the country.

This is a good budget because in it government recognizes that it has two basic responsibilities and that both responsibilities have to be fulfilled if the country is to operate efficiently and with a social conscience. Those two responsibilities, quite simply put, are fiscal responsibility and social responsibility.

We have a fiscal responsibility. We have a responsibility as a government to operate in a prudent manner. We need to be businesslike but remember that we are not a business. We must ensure that each Canadian taxpayer receives full value for each dollar that is spent.

However, in addition to this fiscal responsibility, the government understands and Canadians understand that government also has a social responsibility. We do things not to earn a profit from doing them but because they are the right things to do. We fund medicare as a federal government not because we can make money at it but because it is appropriate to provide Canadians with medical care. We have an old age security system not to make a profit on it but because we believe, as Canadians, that it is appropriate that we collectively provide for the security of those in our society who have reached 65.

It is important for us to understand that government has this social responsibility in addition to this fiscal responsibility. It is also important for Canadians to understand, which I believe they do, although I do not think the opposition understands, that we cannot have one of these responsibilities without the other.

Before I came to the House I had a job in the private sector. I had the opportunity to work with people who were in financial difficulties. In a large sense what we face as individuals in our family budget is not a whole lot different from what the country faces today. The options on how to deal with it are frankly not a whole lot different. I have had individuals who have come to me in financial difficulty. Perhaps they bought a house that was larger than they should have and their mortgage was bigger than it should be. Perhaps they bought a larger car or a second car and went into debt more than would have been prudent. Perhaps they ran up their credit cards on things that maybe they should not have bought. At the end of the day they find themselves overcommitted financially, much like Canada today finds itself overcommitted financially.

There are a number of options you can take as a financier, just as there are a number of options the government can take. You can be, as some members in the Bloc have suggested, like the bank and

say: "Oh, you are in difficulty. You are having difficulty with your finances. I will tell you what I will do, I will just increase your credit card limit by another $5,000 so that you can go out there and maintain the level of expenditures you have always had." This might work for a month or two, but it is not going to work in the long term and it is not the fiscally responsible and for that matter the socially responsible thing to do, either as a government or as the individual banker who might be dealing with that client.

Or you can take a different approach, the approach the Reform Party has often talked about in the House in terms of how to handle an overcommitted debt situation. We can say to a person: "You are going to absolutely stop spending now. We will go down your budget and hack out. It does not matter whether you are going to have enough money to feed your family or to keep at least one car on the road so you can get to work, or whether you will be able to buy clothes or pay for your kids' education. No. The only thing we are going to think about is that you are overcommitted financially. We will cut that all out right now and at least balance your budget. You might starve and you might not have any shelter, but by Jiminy Cricket, we will have your financial situation in order".

• (1315)

That is what the Reform Party suggested in its counterbudget. It said we should slash everything and get it all down into a nice neat package in three years. It just does not work that way, just as it would not work for the bank client to simply cut everything at once.

There is an appropriate middle course to take. It is one we would take as individuals and one we have taken as a government. It is simple. We would come to an understanding that we have spent too much, that we are overcommitted financially and that we do need to put our house in order, but we must do it in a responsible way. In the case of an individual the debt would probably be consolidated and the payments spread over a number of years so the payments could be made according to the level of income. In time the problem would be resolved.

A fiscal regime is not imposed that is impossible to live with. The federal government has taken this approach. It is understood that our expenditures were too high. It is understood that we were spending too much money. It is making the adjustments in a gradual, prudent, responsible way that Canadians can afford.

This is the essence of the budget. It is what makes the budget work. It is why the budget is accepted across the country. Canadians instinctively understand that we have taken an approach they would have taken in dealing with their own family budgets.

I want to compliment the minister and the government for having seen clear to take this approach. We will move ahead in the next fiscal year and the following fiscal years. We will improve our financial situation and improve Canada's fiscal situation year after year. We will do it in a manner that understands our social responsibility and which maintains the social safety net for Canadians. It will maintain the Canada we have built over the last 50 years, a Canada we are proud of and a Canada which the Liberal government is committed to protect.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, I would like to compliment the member opposite on his speech, particularly since during his speech he referred to the Reform Party as the official opposition, which is what really has been happening in the House.

The member went into detail on his private life, particularly in terms of private individuals who are overly committed financially and how he would fix their situation. I find it rather ironic that if the federal government were in the same position as any business or individual, it would have been bankrupt a long, long time ago.

At a time when the provinces are balancing their budgets, one after the other all the way down the road, the member seems to think that the federal government is somehow different, that it does not have to balance its budget. It is off somewhere after a future election, off into the sunset somewhere, which is very much the old style promises of the old style politics.

Why does the member think that the federal government is different from the provinces which are balancing their budgets one after the other all the way down the line?

• (1320)

Mr. Mitchell: Madam Speaker, if I referred to the Reform Party as the official opposition, I certainly apologize for that. I certainly did not mean to provide that party with a status it does not have and never will.

No one is suggesting that the federal government does not need to balance its books. It needs to eliminate its deficit and in time bring its debt down. Similarly, as individuals if we were overcommitted at some point in time we would want to bring our individual debt down and to spend only what we were bringing in in a given year. The Reform Party is suggesting that we do this at a pace and in a manner which totally ignores the needs of individual Canadians.

I can go to any budget for a business, an individual, a government or a province and I can look at certain lines, rip them out and come to a balanced budget. That is easy. It is simple. However, we have to remember that behind each line on the budget, behind each stroke of the pen, there will be an impact on people. We have to remember the impact it will have on people and not simply do a number punching exercise.

The same thing holds true for the government as holds true in our personal lives. We have to be responsible, we have to be prudent and we have to remember the consequences of our actions. The government will balance its budget. It will bring its financial house in order, but it will do it in a responsible manner which will recognize the needs of individual Canadians.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, the hon. member began his comments today by saying that the budget measures were necessary. I wonder if he could clarify that.

This move today takes approximately $1 million per elevator point away from communities in western Canada. The budget bill essentially withdraws about $400 million worth of federal commitment from the province of Saskatchewan alone with no plans in place to manage what is left behind. Can the member tell us today how it is possible that he thinks it is necessary?

Mr. Mitchell: Madam Speaker, it is very important that we remember that all Canadians, all parts of our society are going to share in it. Have there been reductions in Saskatchewan? Surely there have been, as there have been across the country. Everybody has to pitch into this equally everywhere. Provinces, individuals, businesses, agriculture and industry, we all have to work together on this.

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I commend the hon. member for Parry Sound—Muskoka. As a fellow member in the northern Ontario caucus under his chairmanship I know he is an excellent member of Parliament for his riding. In his short but effective speech over the last few minutes we have seen a side of the member which is not surprising but is very inspirational. I would like to tell the member publicly that his comments were right on the mark. He said many very important and true things.

I will reiterate something which the hon. member said, and I may be paraphrasing him. We have our Reform colleagues and thankfully they are not the official opposition. His apology should have been to Canadians, not to the Reform Party. The Reform Party is constantly calling upon us to run Canada like a business, like a bank or like a large corporation. It is one thing to run a country in a businesslike fashion; it is another matter to run a country like a business.

• (1325)

The member for Parry Sound—Muskoka hit it right on the head when he said that a government is first about people. In February the Minister of Finance presented a budget that was about people, about Canadians. While wanting to preserve those things in our society that make Canada a special place, he also presented things that deal with the concerns Canadians have that we respond effectively to our deficit.

We know that each year our national debt is growing. We have made a commitment as a government to deal with the growth in the debt. We made a commitment as a party competing with others to govern this country back in the fall 1993 election to get the annual deficit down to 3 per cent of the GDP. If we listen to the Minister of Finance carefully and analyse the kinds of results that are available, we will meet our 3 per cent target and quite possibly do better than that.

As my colleague said in his speech, the government is first about people. It is not just a business. Along with several other members of this House, I am a member of the finance committee. I had the opportunity to hear and read hundreds of witnesses and their presentations last fall as the finance committee undertook the prebudget consultations and prepared its report for the minister as part of the overall guidance he was seeking in preparing for the budget.

With very few exceptions, the witnesses we heard did not call for massive slashing of programs. They did not call for draconian measures that would turn back the clock and bring us back to the middle ages. Consistently we were told to deal with the deficit, not to raise personal income taxes and not to forget the importance of this country's social infrastructure. The infrastructure ensures that all Canadians have a fair stake in the future.

The natural resources of the country belong equally to all. We expect mining companies to find minerals and metals and to extract those resources. In so doing they pay a share to the community at large to the provincial treasuries and to the federal treasury. We expect forest companies to harvest our forests. At the same time we expect them to give something back in terms of stumpage fees and taxes because all Canadians own those trees. All Canadians can benefit from our resources.

This is why a Liberal government has proven to be the most effective in doing this over the decades. Liberal governments have consistently been able to find the way to balance the needs of industry and business to be profitable. That is important for job creation.

On balance with that there is the need to ensure that all Canadians have equal access to the benefits of the country. We can hardly blame Parliament or finance ministers for doing great damage to the country when we have the best country in the world.

Even though we can criticize past governments for mistakes, the Canadian attitude which is one of balance, taking care of those who have and those who have not in a fair and balanced way is the kind of country the world admires. That is why Canada is in its way so much of a leader. Other countries look to us for examples. As I mentioned, in the prebudget consultations last fall we heard a call for balance, deal with the deficit, do not raise personal taxes and make sure that everybody is treated fairly.

I do not think any of us can say that as a country we do this perfectly. Sadly, the rate of illiteracy is still too high. The rate of poverty particularly among children is still far too high. We still have household and family violence. We still have crime.

• (1330)

All we can do is work together to do better and to improve our communities and the quality of life. Liberal governments have consistently been able to find the way to do that. The budget as represented in Bill C–76 takes us a long way down that road.

I pick out one example of the kind of leadership Canadians have come to expect and can continue to expect from this government. I pick out an issue that became a hot issue in the lead up to the budget, the possibility there would be taxation of employer paid health benefits. Those are the benefits provided to those in the workplace for drugs and dental care, paid fully or partially by the employer.

There was a notion that perhaps the government was thinking about taxing these employer paid benefits. Many people spoke out against this. I received numerous cards and letters from constituents. The minister heard from the finance committee in its report that at this time no such measures should take place.

The finance committee suggested what had to be in the mind of the minister, because it makes sense. That is, the current system is unfair to the working poor, who must pay for their health benefits out of after tax income. We called on the industry, the insurance companies, dental providers, and asked if they would work together to help us find a way so all Canadians can be covered when it comes to drug benefits and dental care. I was very impressed, as I am sure my colleagues in the committee were impressed, by the very positive response from the insurers and from the dental providers that they would try to find a way in which all Canadians can be covered in some fashion for drugs and dental care. I am not saying we are there yet, but I have in the last two weeks seen some very strong evidence that this challenge is being responded to in a very positive way.

The Minister of Finance responded thoughtfully and carefully and decided not to move on that. This will give us some time in this country to find a way to make sure all Canadians are treated fairly when it comes to those particular benefits.

There are elements of unfairness on the subject of RRSPs as well. The more income you have, the more you can contribute. If you are poor, you are not as likely to be able to contribute to an RRSP. There tends to be an imbalance toward Canadians with higher incomes. Here as well reform is in the wind.

The whole issue of aging and pensions needs to be rethought in this modern era. The minister has wisely deferred on this issue pending further research and consultation.

I emphasize to my colleagues in the House, to my constituents, and to all Canadians that the public support for Bill C–76 and the budget is tremendous. It is a fair and balanced approach.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, I have listened very carefully this morning and this afternoon to the arguments presented by my Liberal colleagues across the way. I am surprised that they continue to argue we are not in a serious situation, that they are somehow being more compassionate than we are in what they are doing, that they are not seriously addressing the debt and deficit situation.

Is balancing the budget not the most compassionate thing we could ever do to preserve our social programs? Is it not the fact that we must stop borrowing more money, that we must immediately come to a situation where we stop increasing the interest payments? Are these interest payments not the most serious threat to our social programs?

• (1335)

If they are the most serious threat, is not the most compassionate thing we can do to get our house in order to balance the budget as quickly as possible, decide on what is important and get there as quickly as possible?

Mr. St. Denis: Madam Speaker, I thank the member for his question.

I appreciate his suggestion that Liberals are more compassionate, although he put it in the form of a question. I would like to answer his question with a resounding yes.

The member fairly asks if it is not more compassionate to deal with the deficit. That is the essence of his question. It is logical to deal with the deficit. It is not an issue of compassion. I submit that if we were to have taken an approach as proposed by the third party, the Reform Party, compassion would have gone out the window.

When we are undertaking an operation as difficult as putting the finances of the country back on track, that is not something we can do overnight. It is like moving a huge ship. They have to have a number of little tugboats that work diligently to get the ship turned around in the harbour.

The finance minister recognizes, if the Reform Party does not, that you cannot do this overnight. With the draconian measures the Reform Party proposed in its own prebudget budget, the numbers frankly did not add up. It is something like the Harris budget plan for Ontario, for which there is a very indecipherable bottom line.

The issue of compassion must be balanced certainly by logic. That logic must lead us to a conclusion that is fair to all Canadians. For example, let us just say we are going to have a massive tax cut and that would be fair. It is more fair to the rich and less fair to the poor. If taxes are slashed 30 per cent, as Mr. Harris pretends he will do, then certainly if I were rich, which I am not, I would have a greater benefit than a poor person.

While the member's question in the context of his own party's philosophy might seem fair, I go back to my comments in my speech that a country is not a business. While it might need to be or should be run in a businesslike fashion, it is not a business. It is first about people. There is no way we can close our eyes, turn the pages of the budget, and stroke out items with a pen without considering their impact on people.

This government has taken action. The program review undertaken by the ministers of the crown has resulted in measures that will be effective. The result is in the reaction of Canadians and the reaction of the marketplaces around the world to the budget. There has been an extremely positive, balanced, and well considered response to this budget. That is the proof that the budget has hit the mark.

With that I suggest the member go back and look at his own prebudget plan. It would be too generous for me to say it was compassionate.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, today I would like to tell a story, the story of Nibor Dooh, a mythological character from history who landed on the shores of the great country of Adanac. Adanac was a peaceful, prosperous, and tolerant place when he arrived. The people had no complaints, other than those that are inevitable in life. Nibor Dooh went about the land telling the people of Adanac that their lives could be much better than they were. They could be richer, more tolerant, and more prosperous. If they followed his scheme they would be much better off.

The good people of Adanac scratched their heads in bewilderment. "We already work the land", they said, "and we look after our families and we look after the less fortunate in our communities. How can we all do so much better?"

• (1340)

"It is very good news", said Nibor Dooh. "You all remember that awful Xram, who said we have to steal from the rich to give to the poor. You were right not to listen to him. Stealing is wrong. I can make you all rich without any of that".

The people scratched their heads a bit harder. How could this work? "Well", said Nibor Dooh, "it is all a bit complicated. First we take from the rich to give to the poor and then the poor are rich, or they are richer. So we can take from them and give back to the rich. Then the rich have even more, so we can take more from them and give to the not poor any more, and so on".

The people of Adanac scratched their heads some more. They really did not understand how this all could work. "Look", said Nibor Dooh, "it is all in this wonderful book by the philosopher Sen Yek. It is called *The General Theory of Employment, Interest and Free Money.* I can't say I quite understand it myself", said Nibor Dooh, "and I am sure you wouldn't, but trust me. It will all work out".

Nibor Dooh assembled the elitist class in the country to help him rule the land. He explained that this way it would not be so bad that initially he had to take from them. He was to hire a lot of them and they could all get together, look very clever and rule the ordinary people. They would have to adopt his ideas, some of which were actually very odd. After a few years, they would even claim that it was their culture and that it was what made their country great and gave it its identity.

Nibor Dooh was able to convince some of the tribe of Aidem to explain his scheme to everyone in the land. Aidem had a lot of influence and most of his tribe were part of the upper elite class.

At first the whole thing seemed to work to perfection. The elite class paid more, but not much more. They got to be rulers and talk in very clever and compassionate sounding ways. The tribe of Aidem praised them with great praise and Nibor Dooh went up and down the great land of Adanac taking small amounts of money from the people to give back to the rich but also giving them large amounts of money that he said he had got from the rich without taking much from them.

"Look how well it is working", he told them, and the Aidem echoed him. "I take a small amount of money from you and I increase it. I do more with it than if you keep it yourself. I provide free health care for you. I will pay you a pension when you get old. I take care of the poor among you better than you could. I provide work for those without jobs, and if I cannot provide work I pay them anyway. There is no need for any of you to concern yourself with your neighbour's well–being, for I, Nibor Dooh, take care of all those who have problems".

Every once in a while some village idiot would ask how he could defy the laws of economics, but Nibor Dooh would just smile patronizingly and wave copies of the works of Sen Yek and Htiarblag. Nibor Dooh was so clever and so urbane that the people just laughed at these idiots.

Other quite vicious people spread rumours that Nibor Dooh was actually borrowing from the rich and promising to pay them back with the money of the poor. No one listened, because if it were true he was making the poor richer and they would easily be able to pay for what they had consumed now.

No one worried about tomorrow. Adanac became known as one of the best countries to live in. As the years went by there was a gradual but marked change in society. People did not take as much responsibility for their own affairs. They did not save their money for when times were lean or when they got to be older. People did not take as much interest in helping their neighbour as they did previously. A saying became common in the land: "Don't worry, Nibor Dooh will take care of us", and Nibor Dooh became a very popular person in the land of Adanac.

Another gradual change began to occur. The poor people had to always pay a little more to Nibor Dooh every year for the services he provided. Every year there were more and more people who did not have jobs. Some of the people began to murmur and ask questions. It appeared as though they were paying more to Nibor Dooh than they were getting back in the services he provided. Some of the people from the Aidem tribe came to Nibor Dooh's rescue. They told the people Nibor Dooh was doing what was best for them. They told the people of Adanac they were becoming a more caring and compassionate society, kinder and gentler than they used to be.

• (1345)

Meanwhile, Nibor Dooh was looking more tired and worried than he once had and had less time for the common people. "See how he wears himself out for us", they said. They did not know he had to spend more and more time begging the rich to lend him more and more. They knew that Nibor Dooh kept saying the rich would have to pay more, but somehow it was always them who had to pay more.

They began to listen to people criticising the whole arrangement. Some were the old time village idiots like Reklaw and Namdeirf, and others were new voices like Notserp Gninnam. Notserp really annoyed Nibor Dooh with his impertinent questions like where is all this money coming from to provide all these services? Why are we paying almost half of our hard–earned money to Nibor Dooh? Why are the services declining but the amount we give Nibor Dooh keeps increasing?

Also about this time Notserp made the discovery that Nibor Dooh was actually taking from the poor and giving to the rich. Notserp discovered that Nibor Dooh had an agreement with the wealthy in the land whereby they would give Nibor Dooh money if he gave them a portion of what he collected from the poor every year. Aidem came to the rescue of Nibor Dooh again but the word got out to the people he was taking from the poor to give to the rich. Some of the poor people saw they were not rich enough to afford what he demanded of them and they began to demand that this stop.

Nibor Dooh began to accuse Notserp of being heartless and cruel for making such a suggestion, but Notserp contended that we must not keep giving more to the rich because it would enslave the poor. In return Nibor Dooh accused Notserp for wanting to slash and burn these wonderful programs. If we went back to allowing people more control over their lives the country would fall apart.

The Aidem tribe also contended that if Notserp had his way we would lose our identify as a nation. Nibor Dooh said the poor would be unable to defend themselves from the adversities of life. When people asked Notserp about this he explained that we are all becoming poorer because we were giving so much of our hard earned money to the rich. He said it was wrong to steal from the rich and that since we have borrowed from them we have to pay them back. He said going into debt to them had not made us richer and would not so we should stop borrowing and just pay them back.

Notserp became more and more popular with the poor people as they began to realise he was telling the truth. The trust the people had in Nibor Dooh began to disappear. The Aidem people tried valiantly to defend Nibor Dooh, but the stranger their explanations became and the wilder their attacks on Notserp the less convincing they became. People asked Notserp how he could keep attracting larger and larger audiences even though Aidem and Nibor Dooh called him such terrible names. You cannot fool all the people all the time, he told them.

Finally the people became so angry that they sent Nibor Dooh back to the land of Larebil and proclaimed Notserp their new leader. Notserp told them clearly he was not a magician, but neither was Nibor Dooh. He said: "There are simple answers to your problems, but they are not easy ones. Nibor Dooh has made us poor and we will have to go back to working hard to fix the damage he caused. It will take years but at the end you will feel better not because of what I have done but because of what you have done".

That is what happened. The people worked hard but they felt proud of the work and they learned a great lesson. They could take care of themselves better in the long run than Nibor Dooh could with his grand scheme of taking from the poor and giving to the rich.

That is the end of my story. One observant person realized Nibor Dooh is Robin Hood spelled backwards. Just like Nibor Dooh was Robin Hood spelled backwards, what he did was backwards. All his great schemes that had the effect of stealing from the poor to give to the rich were backwards. We are doing the very same thing in Canada. The government, like Nibor Dooh in my story, has convinced the people it can do more for the people than they can do for themselves.

• (1350)

I listened to the arguments all morning and I heard them repeated over and over again. The government is taking from the poor and giving to the rich. We borrow from the rich and they get richer. Every year the situation deteriorates.

A parallel to this story can be found in the history of Canada for approximately the past 25 years and it is still unfolding. What is the answer? Get government less involved in the lives of people. Let them take care of themselves; stop interfering. Reduce the size of government and government programs and reduce taxes so people have more control over their lives.

Like the people of Adanac, Canadians are becoming increasingly cynical of government and politicians. They need to realize there is absolutely no compassion in doing what we are doing, taking from the poor and giving to the rich. They need to realize there is nothing noble about being told they cannot take care of themselves, their families and the less fortunate without the help of a wise, all seeing government. That is the great lesson of this story.

Like the people of Adanac, we have the will, the imagination and the energy to live well and to share generously all by ourselves and that is what we need to do.

What are the key points in this story I created? Governments have created the impression that by borrowing money, by going into debt, we are being compassionate and caring. Nothing could be further from the truth. We are enslaving our people, especially our children. We are taking the money from the hardworking, ordinary, not wealthy people of Canada and we are giving it to the rich by our schemes.

People pay over one–half of their money to the government. What tactics does the government use to transfer this money from the poor to the rich? It convinces the people it can take care of them better than they could if they were allowed to keep their hard earned money, which is a myth. Many people in Canada are beginning to realize this myth. Another tactic government uses is to keep telling the people: "Trust us, even if you do not understand it all. The government is doing what is best for the country". This too is a great myth.

All the names in this story are spelled backwards. For example, the tribe of Aidem that helped Nibor Dooh and the elites to spread their lies across the land is the media. Aidem, like Nibor Dooh, was able to get some of the elite tribe to help him convince everyone that being left wing is more compassionate than being right wing, but it proved to be a myth. Before these left wing Liberal ideas were spread across the land of Adanac, Canada spelled backwards, we had strong families and communities to give support to those in society who were less fortunate. When these ideas of Senyek were spread across that land it began to erode the strength of our families and charitable institutions.

Notserp, whose name I will let others decipher, began to tell the people these ideas of Nibor Dooh would not work. The agreement Nibor Dooh had with the rich to borrow money was to destroy the land. That is happening in Canada today. By borrowing money we are destroying our country.

The grand experiment this country has undergone for the last 25 years or so has not worked. Hard work, strong families, community organizations, values that emphasize responsibility, these have made our country great, not this idea that big government programs have made our country great and make us a great society. Nothing could be further from the truth; it is a myth. The government still creates the impression it can take better care of us than we can take care of ourselves if we were allowed to keep our hard earned money.

Nibor Dooh created the impression that he could multiply the money he took from the people but in the end it was a myth. The opposite actually happened. He impoverished the people. This is happening in Canada. My hope is that we can learn a lesson from the story I have told. We cannot keep taking from the poor and giving to the rich.

• (1355)

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Madam Speaker, I have been listening to this fairy tale and I think there is a fairy tale within a fairy tale; some rather strange myths articulated by the member opposite.

I ask members present if they agree with the myth that perhaps the member is right about us interfering too much and that, following his logic, a person without food and shelter should be left without food and shelter.

The member is very much a proponent of the marketplace. I ask him if he believes that begging on the street is the marketplace's answer to helping people in vulnerable positions to find enough food and wherewithal to support themselves.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I have been listening all morning to the same type of reasoning, the big flaw in what is happening in Canada today. We are trying to convince the people these big government programs, the borrowing of money to sustain all of this, are the answer to our problem. This absolutely is not the answer.

We have to run government in a businesslike manner. We have to be more responsible. We have to allow people to assume responsibility for their lives. If the member is suggesting that if we remove this from them and we have big government programs we are solving the problem, she should take a look around her. She should open her eyes.

The interest we are paying on our debt and the interest that continues to grow and multiply is doing more to destroy what we can do for the people than any other factor. You missed the entire point of the story I told. The time will come—

The Speaker: It being 2 p.m., we will proceed to Statements by Members. I remind all hon. members to address the chair at all times in the matter of debate.

STATEMENTS BY MEMBERS

[*English*]

PEACEKEEPING

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, the diplomatic discussions between the governments of Ireland and Great Britain are apparently moving to a successful conclusion. There are new structures and processes to ensure full religious tolerance and co–operation within a new, plural Irish constitutional system.

In congratulating the political leaders involved, the Canadian government might help with our acquired historical experience in international peacekeeping in any transitional governmental arrangements.

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[*Translation*]

TIANANMEN SQUARE MASSACRE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, we wish to draw attention today to the sixth anniversary of the sad events that took place in June of 1989 in Tiananmen Square, where thousands of students were massacred in the violent crackdown on their democratic movement by the Chinese leadership.

Despite the hopes that this widespread movement had raised, democracy is no further ahead today in China.

All the while, this government just turns its back on the promotion of human rights by concentrating exclusively on the economic aspect of its relations with China.

By repudiating a well–established tradition of promoting human rights, the government reduces the status of Canada to that of a minor and petty market power lacking vision, with a foreign policy based on double talk.

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[*English*]

SENATE COMMITTEE ON EUTHANASIA

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, today the special senate committee on euthanasia and assisted suicide will table its report detailing its findings and outlining its recommendations. I applaud the committee for its careful consideration of euthanasia and physician assisted suicide.

Of importance is the emphasis on palliative care which must be addressed by the medical community and all levels of government through its promotion of public health policy. This was a consistent theme presented by witnesses before the committee.

Canadians are asking what control they and their families have in the direction of their own care. Certainly all issues surrounding the withholding and withdrawal of life support need very close attention with public education and input.

It concerns me that judges may be given leniency in handing out mercy killing sentences, once again calling into question the integrity of our justice system. Respect for life and the protection of the most vulnerable in our society should be paramount in public health policy and the law.

* * *

WENTWORTH CONSOLIDATED ELEMENTARY SCHOOL

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, recently I had the wonderful opportunity to present a new Canadian flag to the children at Wentworth Consolidated elementary school.

As we stood around the flag pole in the beautiful spring sunshine, we talked of the importance of the flag as a symbol of nationhood, the respect and care that our flag deserves, and the great price paid by our veterans to make our nation so great and free.

Inside the school the children showed me a giant aquarium in which they watched baby fish grow from eggs caught from the nearby fish hatchery. When these young fish are big enough the school children transport them to the Wallace River for restocking.

Today I congratulate the principal, Dr. Gordon Jeffrey, the dedicated staff, and the students of the Wentworth Consolidated elementary school for their environmental awareness and their community projects.

* * *

YOUTH SPORTS

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I rise in the House today to recognize three young people from the city of Mississauga: Jane Lea, Michelle Lo and Frank Luisser. All three secondary students have been named athletes of the year for outstanding participation and ability in a wide variety of sports.

Today when the media seems to focus on troubled youth it is important to recognize adolescents who, from small children, have enthusiastically refined their skills to a superior calibre that is recognized by all. As individual athletes and successful

team players they have been recognized not only for their skills but for their positive outlook on life.

I congratulate their families who have spent many hours supporting and encouraging these superstars. I congratulate Jane, Michelle and Frank for being the best they can be.

* * *

MAPLE LEAF PUBLIC SCHOOL

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, it is with great pleasure that I rise today to praise the students of Maple Leaf Public School.

I have received two different projects from the students who expressed their concerns about the environment. I commend the work done by Jillian Morris and Maria Locht on their project entitled "Oil Spills".

I also commend the time and effort that Lauren MacKenzie and Jennifer Mairn put into soliciting names for their petition on acid rain.

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[*Translation*]

INTERNATIONAL TRADE

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, tomorrow is the opening in Toronto of the first official round of negotiations on the inclusion of Chile in NAFTA, which, according to the Minister of International Trade, will make this agreement more vigorous, flexible and open. We are pleased to note this sudden conversion to free trade on the part of the Liberals, who so fiercely opposed the signing of the free trade agreement with the U.S.

Today, the federal government is in favour of every free trade initiative: free trade with Asia by 2025, free trade with Europe, free trade here, there and everywhere. That is Canada's new motto. A sovereign Quebec will make an economic association offer to Canada. Given our current commercial ties, this is an offer that can hardly be refused.

With a volume of trade with Canada 150 times that of Chile, Quebec certainly has at least equal merit.

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[*English*]

EXPO 2005

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, Expo 2005 has ground down into an unpleasant east–west tug of war in which the west appears to be shafted yet again in a decision rigged to favour Ottawa over Calgary.

The foot dragging Minister of Canadian Heritage demonstrates how the momentum of mediocrity can sustain a faltering political career as his indecisiveness cripples the bid process.

How did a process based on integrity and fairness become so tainted that Ottawa is now lobbying more fiercely than ever before? The Mulroney way is back. Once it appeared that Calgary was going to be awarded Expo 2005, the backroom politics of the Mulroney years took over the process, and an incompetent minister was the perfect foil by which the emergent controversy could gather momentum.

• (1405)

The Liberals are faced will a real dilemma for not only did the independent review committee unanimously recommend Calgary but this fact was also widely reported. Although choosing Ottawa over Calgary will be a difficult public choice for the Liberals, the confidence exhibited not only by the lobbyists but also by cabinet reveals that the Mulroney way is still very much a part of Canadian politics.

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TAHER S. MADRASWALLA

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, today I pay tribute to an extraordinary individual. Mr. Taher S. Madraswalla has been on a peace mission for 14 years.

In October 1981, at the age of 18, he left his homeland of Ahmedabad, India, on a bicycle tour and now 14 years and some 116,000 kilometres later he has visited 30 countries spreading his message of peace.

Throughout Africa, Europe, the Middle East, Asia, Australia and now Canada he has spread the word of international brotherhood, peace and understanding. Fittingly the last stage of his mission will be to cycle to the headquarters of the United Nations where he is hoping to bring his message to the secretary–general.

In tribute I must quote Mr. Madraswalla:

> I have seen too much fighting because of religion and I don't believe that religion and skin colour should keep people apart.

On behalf of all members of the House I congratulate him for dedicating the past 14 years to an honourable goal.

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FRESHWATER INSTITUTE

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I protest the cuts being planned for the Freshwater Institute in Winnipeg, not just with respect to the Freshwater Institute in Winnipeg but also with respect to the experimental lakes project in and around Kenora which is apparently threatened by the same set of cutbacks. I say to the government that these kinds of cutbacks are acutely shortsighted.

There is not just the fiscal deficit. There is what we sometimes call the human deficit. There is also what we call the environmental deficit. A lot of very good research having to do with acid rain and other environmental problems has gone on under the auspices of the institute.

It is shortsighted in the extreme to cut off this research. We may well regret many years from now that the government saw fit to do away with this research. I urge the government to take a second look at its plans in this regard.

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[*Translation*]

NATIONAL TRANSPORTATION WEEK

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, this week is National Transportation Week. In a country as vast as Canada, the transportation network—with all its railways, highways, ports and airports—is very important.

Most of the largest Canadian port, the Port of Vancouver, is located in my riding of Vancouver East.

[*English*]

In addition to fast growth of its traffic in the movement of goods, the port of Vancouver has a very dynamic cruise industry which in 1994 delivered an estimated $140 million in benefits to the British Columbia economy and over 580,000 passengers.

Recently the Ballantyne pier, built in my riding in the twenties, reopened its terminal to help serve the cruise industry. This season the Ballantyne terminal will greet 64 of the 292 sailings calling on the port of Vancouver.

The terminal is now a state of the art facility for new cruise ships, boasting passenger loads of 2,000 to 3,000 people, thanks to new gangways that have the capability to be set up in a record seven minutes.

This is a unique way of protecting the past while serving the future. The Vancouver Port Corporation deserves to be congratulated for its vision.

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THE LATE CLIFFORD COREY

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, more than a week ago we lost one of Carleton—Charlotte's most noted entrepreneurs with the passing of Mr. Clifford Corey.

For many years Mr. Corey was a distinguished leader in New Brunswick's forestry industry. He resided and established several businesses in the Southampton–Nackawic areas of my constituency. Not only was he a business leader but he was also well respected as a community leader.

The country and indeed the world need more Clifford Coreys. He was admired as a leader by family, friends and the entire community. On behalf of all members of the House I extend sincere condolences and sympathy to Mr. Corey's wife Evelyn, son David, daughters Marion and Margaret; to the entire family and their many friends.

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[*Translation*]

NATIONAL TRANSPORTATION WEEK

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, National Transportation Week provides an excellent opportunity to thank all the men and women in the transport sector. These people work to ensure the free movement of goods and people throughout Canada at any time of the day or night, putting food on our tables and taking us home after work.

• (1410)

Quebecers are fully aware of how important the transport sector is. To the workers at Orléans Express in Montreal, at the Viens bus company in Farnham, at Transport R.P.R in Cowansville, to the independent truckers across the country, to CN, CP and VIA employees, to airline and shipping company staff, to the industrious taxi drivers, to the dispatcher's secretary, to all the people of Brome—Missisquoi who are associated in any way with the transport sector, to all the people from coast to coast who maintain all kinds of links between each province and the rest of Canada, I join with my parliamentary colleagues in saying, "Thank you for all you do for us, and I wish you all a great National Transportation Week".

* * *

REVENUE CANADA

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, yesterday, 1,400 Quebec taxpayers gathered at the Place des arts to denounce a decision made by Revenue Canada. Indeed, after allowing a research and development investment tax credit for four years, Revenue Canada is suddenly changing its mind and asking 15,000 Quebecers to refund amounts three to four times higher than their tax savings.

This about–face by Revenue Canada may force thousands of Quebecers into bankruptcy. Taxpayers should not have to pay for a mistake made by the federal revenue department. How can you expect to restore taxpayers' confidence in Revenue Canada, when that department is asking them to retroactively repay amounts which they invested in good faith?

Not only does this government refuse to undertake a complete tax review, it also makes taxpayers pay for its own incompetence.

[*English*]

LIBERAL PARTY OF CANADA

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the Liberal government has a very poor record of keeping its promises on open government, independence of members, and the integrity of Parliament. We will soon see if the Liberal brass respects the right of members to vote freely in the House, or if it considers them to be nothing more than trained seals expected to show up just to make up the needed members and then bark yea or nay as they are told.

The hon. member for Notre–Dame–de–Grâce has expressed some real concerns about the federal budget. While I do not share his specific concerns I support his right to vote freely in the House to keep the promises he and the Liberals made in the red book, the promises the Liberals are now breaking.

It is unfortunate the Liberals do not support this right. We have already seen three Liberals punished for not toeing the party line. Page 92 of the failing Liberal red book talks of parliamentary reform. It says that open government will be the watchword of the Liberal program. It would be a shame if the hon. member for Notre–Dame–de–Grâce was punished by his own party for keeping his promise when his Liberal masters are breaking theirs.

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[*Translation*]

ONTARIO ELECTION

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, in two days, Ontarians will go to the polls to elect a new government.

At this point in time, French–speaking residents of the province must think carefully about the choice they will make. They must ensure that the new government will protect their community's acquired rights, while also promoting its vitality.

The Ontario Liberal Party has shown that it is a good protector of the rights of French–speaking Ontarians. Just think of Bill 8, or the establishment of the Cité collégiale, where young French–speaking Ontarians already receive training. In fact, it is party leader Lyn McLeod who reached an agreement with the federal government regarding the Cité collégiale, when she was education minister.

Since the past is often indicative of things to come, when French–speaking Ontarians go to the polls in two days, they must make sure to vote for the party which will best serve their interests.

[*English*]

ONTARIO ELECTION

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, the province of Ontario has had constant slides to the left under the NDP. Now the Conservatives are offering a four–year slide to the right. This province needs balance and the Liberals offer that balanced approach.

The Conservatives offer unattainable promises of 30 per cent tax cuts with no cost to our health care system. Ontarians know that is not possible. They know that a 30 per cent tax cut would mean a tax on health care. They know it would mean punishing the average Ontarian while rewarding the rich.

People of Ontario have a choice between a balanced approach that builds on the hopes of Ontarians for the future and a misleading radical approach that plays on the fears of people.

On Thursday Ontarians should protect their health care, protect essential services in the province, and vote for the balanced approach. Vote Liberal.

* * *

POVERTY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, numerous studies have shown that poverty is the biggest cause of poor health. By ending national standards for social welfare and by cutting financial support for all major social programs including UI and social housing, the federal government will not only create more poverty but will put more pressure on the health care system. Bill C–76 moves us closer to the model which is being followed in the United States.

• (1415)

One only has to visit any relatively large urban centre and see the many homeless people, the level of poverty, to realize that cutting social programs and giving more power to the provinces will not work without consultation.

We have always believed that Canada was a country where people cared about their neighbours, where we work toward equality and where universality meant that everyone had access to social programs.

I ask my colleagues on both sides of the House to consider these negative impacts of Bill C–76 when they vote.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, at a meeting in Paris Saturday, European and NATO Defence Ministers agreed to create a new rapid reaction force that would be responsible for protecting and assisting peacekeepers in Bosnia. Now it seems that Russia, a member of the contact group on Bosnia, is opposed to the creation of this rapid reaction force.

Could the Prime Minister tell us whether his government officially supports the creation of such a force and whether Canada will contribute in a specific way?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of National Defence and the Minister of Foreign Affairs have made it clear that Canada supports the initiative taken by the British and the French, but so far, the Canadian government has made no decision on whether to contribute troops or equipment. Our consultations are continuing, and a decision will be made, either positive or negative.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, if this kind of force were to be limited to a Franco–British expeditionary unit, it would lose much of its credibility and effectiveness. The Dutch have already agreed to support this force and may participate. We know that Dutch peacekeeping missions have a profile similar to those led by Canada. Perhaps Canada should consider this in a favourable light.

I want to ask the Prime Minister whether in his opinion, Russia's opposition may lead to some second thoughts about setting up the rapid reaction force proposed by the United States, France and Great Britain?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not think Russia's position makes any difference in the arrangements made by the British and the French. We are continuing our consultations with other countries that may participate in this force.

I am glad to see that the Leader of the Opposition would be in favour of Canada's participation.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I said that we will consider favourably the possibility to consider it, to use diplomatic wording.

The Prime Minister should also consider the possibility that Russia will use its vote to exercise a right of veto at the security council of the United Nations. If it does that it would be very difficult to consider the force.

Does the Prime Minister share the opinion of Foreign Office Secretary Douglas Hurd to the effect that unless a rapid deployment force is created the peacekeepers should withdraw from Bosnia?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not want to extract from the Leader of the Opposition a yes that he is not ready to say at this time. I know another yes that he is very keen on. I am very keen on a no.

My view is that the presence of Canadian troops and others under the UNPROFOR group is still extremely useful in maintaining some peace in many parts of the former Yugoslavia. While they are there they are available during emergencies supplying drugs and food.

They have done this very well in the last three years and have saved a lot of lives. Canadian participation is still very good. We favour what the Brits and the French are proposing but that does not mean we have to participate necessarily. We have made a good contribution.

We are very far away from that part of the world and in many ways, it is somewhat more a European problem than a Canadian problem.

* * *

• (1420)

[*Translation*]

GOVERNMENT FINANCE

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Prime Minister.

During his visit to Ottawa, the chairman of the International Chamber of Commerce urged G–7 countries to get their finances under control in order to guarantee solid economic growth. To arrive at this end, he suggested cutting social programs, decreasing the minimum wage, reducing minimum working conditions and restricting pension plans.

As host and chairman of the G–7 Summit in Halifax, does the Prime Minister share the views of the chairman of the International Chamber of Commerce, Arthur Dunkel?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Dunkel is one of the members of the delegation, not the chairman. I find his recipe is a little strong for my taste. I think that there is a way to get public finances under control, in Canada for example, without cutting social programs excessively. This is, by the way, the position which the Minister of Finance took in the budget tabled in February.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, will the Prime Minister make the commitment that, at the G–7 Summit, amidst the recommendations made by the International Chamber of Commerce and the wind of conservatism blowing on this Parliament, he will not defend conservative economic policies even farther right than his first two budgets,

in which he unabashedly hacked at the social security net of Quebecers and Canadians?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a few days earlier, I had had the privilege to meet with some of the leaders of the trade union movements in G–7 countries. Our meeting lasted several hours and, obviously, their positions differed from that of the International Chamber of Commerce. Like the good Liberal that I am, I found myself squarely in the middle, between these two positions.

* * *

[*English*]

MINISTER OF CANADIAN HERITAGE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Minister of Canadian Heritage has done it again. Last year he attended a select $2,000 a plate fundraising dinner in his honour to help pay off 1993 campaign debts.

The dinner was held at the Montreal home of Richard Gervais, a Liberal bagman who has received at least $110,000 in contracts from the minister's office since the gathering. It was attended by individuals who have direct business dealings or regulatory dealings with the heritage department. It is not the dinner that concerns us but the conflict of interest which it represents.

My question is for the Minister of Canadian Heritage. Does he recognize that by putting himself in such a conflict of interest situation he undermines the integrity of his department and the government?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I did participate in a number of fundraising events, including the one that our colleague is talking about. However, he is making a lot of allegations.

There is nothing secret about anything that I have done and about the contributions I have made to special fundraising events.

In addition, I am informed that all the procedures concerning both the Liberal Party procedures and the Election Canada procedures were followed with a great deal of conscientiousness.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we are not talking about secrecy but conflict of interest. This is just the latest in a long series of ministerial missteps. This minister has intervened with the CRTC on behalf of a constituent. He helped re–jig the government's satellite to home policy to benefit the Liberal connected Power Corp. He lunched with Edgar Bronfman Jr. on the eve of Seagram's takeover of MCA.

This minister has violated the spirit and the letter of the conflict of interest code on a number of occasions and has put the integrity of the government in question.

Therefore I ask the Minister of Canadian Heritage, will he now do what he should have done months ago and resign?

• (1425)

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have respected every directive of the Liberal Party and Elections Canada. With respect to contracts, I am also informed all treasury board guidelines were adhered to when letting out contracts.

When one respects the rules I expect this would be recognized as the proper behaviour.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the actions of the minister of heritage are part of a disturbing pattern. The justice minister places the principle of merit on the shelf to hire the minister of revenue's friends in Victoria. The minister of public works has diverted over $26 million of highway funding to feather his political nest in Cape Breton.

Despite the government's promise to restore integrity to government, its actions prove it is no different than the Tories it replaced.

Will the Prime Minister live up to his red book promises on integrity and ask for the resignation of the Minister of Canadian Heritage?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as the minister said earlier, all the regulations have been followed. All the contributions have been made public. We have the list of all contributions that have been made to the Liberal Party, to the Conservative Party, to the Reform Party. Some of the contributors to this function had contributed in 1993 to the Reform Party.

* * *

[*Translation*]

ETHICS

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, in the matter of the fundraising dinners organized by the firm of the lobbyist Mr. Gervais, we discover that the Minister of Canadian Heritage has just contravened a directive from the Prime Minister aimed at avoiding any possible conflict of interest. This directive was given as the reason the Minister of International Trade declined to attend a fundraising dinner in Toronto last year.

My question is for the Prime Minister. How can the Prime Minister allow the Minister of Canadian Heritage to yet again contravene one of his directives on government ethics?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister has contravened none of our rules or directives. He did not use any list from his department. The people he met were people who had contributed voluntarily to the Liberal Party. This is the way it works in all parties. Everything we do in the Liberal Party is public knowledge. Receipts are issued, people can check.

This is very different from what happened in the 1993 elections, when members of the Bloc Quebecois refused to provide, they were not obliged to do so, but they refused to provide the list of contributions they received in the 1993 elections, and the law did not require them to. When the press asked them to disclose their contributions, they decided not to. They were not obliged to do so at the time. Only this year they will be obliged to do so.

In the matter we are discussing, however, the contributions are public and the receipts are public. Everything is public. The minister did only what every member does and what every minister does: during party fundraising campaigns they make themselves available so we may do our democratic duty, which is to have enough funds that the public knows about available for an election.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, with all due respect to the Prime Minister, we do not need a lesson from him or his party on funding political parties.

An hon. member: Right on. We know why he is rich.

Mrs. Tremblay: So, given that the Prime Minister seems to have stretch ethics, would he tell me how he can give different ministers different directives—telling one not to attend an event in Toronto and exonerating the other who attended an event in Laval–Ouest?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to point out to the hon. member that the legislation on transparency was tabled in this Parliament by the former Liberal government, of which I was a member. It is a law.

Although the law did not oblige them to, if the Bloc Quebecois has nothing to hide, why did it refuse, after the 1993 elections, to disclose the contributions it had received?

In our case, all contributions we received we made public. We were required to do so and we were happy to do so, because we comply with the law that the Liberal Party adopted in this House.

* * *

[*English*]

MINISTER OF CANADIAN HERITAGE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, Francis Fox, the chairman of Rogers, attended the minister's fundraising dinner. His law firm received heritage contracts worth $150,000. Serge Joyal attended the dinner. He received a heritage contract worth $45,000. Phyllis Lambert of the Museum of Architecture contributed $2,000. The museum received $300,000 in heritage grants. Andre Chagnon from Videotron was invited. Videotron has received heritage funds. This has the makings of a Stevie Cameron sequel.

In 1987 the Liberals demanded and got the resignation of Roch LaSalle in a similar situation. Will the Prime Minister now do the right thing and ask for the resignation of the Minister of Canadian Heritage?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have said that everything has been done according to the rules and regulations of the government and the laws of Parliament.

I am involved regularly. I was in the city of Calgary this year and it was the biggest fundraiser we ever had in Calgary. I was in Edmonton and it was the biggest fundraiser we ever had in Edmonton. We do that all the time. It is the democratic way to raise money. We had a great dinner in the riding of the Deputy Prime Minister not long ago. It is all public. The press is invited. Everybody is there and can take notes. We do that.

The Minister of Canadian Heritage is like other ministers. When he is invited to a fundraiser he attends. It is absolutely normal to do that because the contributions are public. Nothing is hidden. It is according to the law, according to the regulations and according to the directives I gave to the ministers.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let us focus on the home of Richard Gervais where the fundraising dinner took place.

Serge Joyal attended the dinner. He said yesterday that the dinner was to have been an opportunity to discuss with the minister his priorities on the future policies he wanted to implement. Serge Joyal is an official of Power Corporation. How can the minister deny that this paid access to the minister directly benefited Power Corporation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Joyal said his ticket was paid for by Madam Lambert.

Some hon. members: Oh, oh.

* * *

[*Translation*]

REVENUE CANADA

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of National Revenue.

Yesterday, some 1,400 angry taxpayers gathered at Place des Arts to denounce Revenue Canada's decision to make them pay back retroactively, and with interest, investments made in good faith and claimed as a scientific research and experimental development tax credit. Revenue Canada's decision affects 15,000 Quebecers and could bankrupt approximately half of them.

• (1435)

Does the Minister of National Revenue undertake to make a decision before the end of this session, bearing in mind that, while he and his officials are reviewing the case, thousands of taxpayers in Quebec are facing the prospect of bankruptcy?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for his question. It is true that hundreds of companies were established by promoters interested in investing in scientific research. It is also true that, in many cases, the fact that no research was carried out caused problems in a number of regions in Quebec and in other provinces as well.

At present, there is litigation between investors and promoters. This is a very complicated situation, and I can assure the hon. member that a decision will be made by the end of the session, if at all possible, and hopefully before the end of June in any case.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, does the minister recognize that it is totally unacceptable for Revenue Canada to change the rules after a few years and ask Quebec taxpayers to pay back large amounts retroactively, thereby driving thousands of them to the brink of bankruptcy?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, Revenue Canada did not change any rules. The rules have been in place for a long time and have remained unchanged. The real question is: How did it come about that the Canadian government put in place a system allowing promoters to do such things?

Since the decision was made in 1989, the question would be better put to the Leader of the Official Opposition, who was a government member at the time.

* * *

[*English*]

MINISTER OF CANADIAN HERITAGE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, in my six years as an MP I have seen government patronage and corruption at its very worst. I listened to Liberal howls of outrage and calls for integrity, competence and honour when they were in opposition. Now they are sitting on the other side of the House and of course the tune has changed. This government is showing the same arrogance as its predecessor and it thinks that popularity polls can justify patronage appointments, back-room deals and political payoffs.

My question for the Prime Minister is why the double standard? If Roch LaSalle resigned, why will not his minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I said, everything has been done according to the rules, the legislation and the guidelines which we have initiated.

Fundraising is an occupation of all parties. I have a list of all the contributions the Reform Party has received. I will not read it. It is legitimate. I am not complaining. That party received the money. The list is public. The people who contributed to the Reform Party have contributed to the Liberal Party, to the Conservative Party and sometimes to the Bloc Quebecois. It is normal.

If you have an accusation to make, if you can link a contribution to a contract, make the accusation—

The Speaker: I would ask all hon. members to please address the Chair when they are speaking.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, we are not talking cash or contributions, we are talking contracts which arise out of those fundraisers.

The Liberals in opposition would have demanded the resignation of the Minister of Canadian Heritage. I watched them and they would have demanded it for sure. Their disgust and outrage would have echoed through these hallowed halls and in the press. The Liberals in government however dismiss the minister's dinner for dollars as harmless and then they send out the spin doctors to minimize the damage. Brian Mulroney must be smiling as he watches this as he may soon be appointed the Liberals' patron saint.

Will the Prime Minister do the right thing, the honourable thing which happened years ago and ask the minister to resign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when the hon. member is able to make a precise accusation that someone paid for a contract, I will do what I have to do. I have been around here for a long time. I know that they are chickens. They make broad statements, never being able to pin down any contract relating to contributions. When they do that we will do what is the right thing to do. With respect to innuendoes made by people who cannot make an accusation, I do not spend a lot of time on chickens of that kind.

• (1440)

Some hon. members: Cluck, cluck.

Mr. Speaker: With respect I would remind all hon. members that this is the House of Commons, not a barnyard. I would please ask you to deal with each other with respect.

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[*Translation*]

HELICOPTER PURCHASE

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of Public Works.

Barely two years after the EH–101 helicopter contract was cancelled, the Minister of National Defence is said to be on the verge of recommending to cabinet the purchase of at least 47 new helicopters, 32 of them equipped for antisubmarine warfare.

How can the minister justify the fact that the government is about to acquire 47 new helicopters at a cost of $2.6 billion, when it is still negotiating the compensation to be paid for cancelling the current contract with Agusta, a firm which is the subject of very serious accusations of corruption and bribery in Europe?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I remind the hon. member that cabinet is seized with the subject matter to which he refers. No decisions have been made with regard to that subject matter.

With regard to compensation, no compensation is being paid. I have stated this repeatedly in the House and outside the House. What is being done at the present time is the termination costs which have to be arrived at pursuant to the contract which was duly consummated by the previous administration. That has to be followed and will be followed.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, since the Deputy Prime Minister refused last Friday to make a commitment to exclude Agusta from any bidding process, can the Minister of Public Works make this commitment until the inquiry into the accusations against Agusta gets to the bottom of this matter? Is the minister ready to make this commitment?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I will abide by your wishes but I believe the question is somewhat hypothetical in view of the fact that cabinet has not made any decision with regard to the procurement of the items in question.

With regard to the specific company he raises, it should be noted that there are two separate entities at play here. Cabinet has not made the decision in terms of what it will do. When cabinet makes the decision I am sure the hon. member will be well informed. He will then have an opportunity to ask questions of myself as well as of the Minister of National Defence.

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CHILD CARE

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

During the 1993 election campaign our government made a commitment to the people of Canada in particular to Canadians with young families to work with the provinces toward expanding existing child care spaces. Furthermore we committed to working with the provinces and the business community to identify appropriate incentives for the creation and funding of child care spaces in the workplace.

Would the minister please tell the House what steps this government is taking to meet this commitment?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for a question that is very important to many people across the country.

This government is still very much committed to the child care commitment we made in the red book. We have already committed $72 million for a major child care program with aboriginal first peoples. We are negotiating those and we hope to have that program implemented by this fall.

We are very interested in continuing discussions with the provinces to see how we can arrive at a joint matching agreement for child care spaces according to the commitment we made during the election. We certainly would be interested in responding to any provinces interested in talking to us.

* * *

• (1445)

CODE OF ETHICS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the Prime Minister claims there have been no rules broken.

Let us be very specific. I quote from the conflict of interest code: "A public office holder shall take care to avoid being placed or the appearance of being placed under any obligation to any person or organization that might profit from special consideration on the part of the office holder".

The dinner in question today is clearly a breach of this section of the code and the minister deliberately ignored this code. My question is for the Prime Minister. What will he do to hold this minister accountable for this breach?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I explained earlier that this fundraising exercise by every party in the House and every member of Parliament is a normal act of democracy.

If someone is proposing that the government pay all the expenses of all the candidates, I will entertain that possibility, but it is not the way we are functioning here.

We ask the people to contribute, but there is a clear rule that everybody who contributes $100 or more has to be known by the public. This week, every contribution received by every member of this House will become public. The amount of money that every member of Parliament has contributed will be known. It is

the way we operate in Canada. It is the most open system there is.

Ministers and members of Parliament meet with people who want to contribute to the party. That is very open, very public, and there is no conflict of interest because everybody is informed.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the question is not one of secrecy or being public. If I rob a bank in public, does that now mean that I am not guilty?

Some hon. members: Hear, hear.

Mr. Epp: I cannot understand how the Prime Minister can defend and differentiate between normal fundraising and an activity that resulted afterward in specific contracts being let without tender. That is not acceptable.

My question for the Prime Minister is what good is this code of ethics if there is no accountability for it when someone breaks it? It has clearly been broken here.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member just said something. If he can make an accusation according to the rule of the House that there is a contract that has been attributed because money has been paid to the Liberal Party, he should make the proof and not chicken out from that. That is the rule of decency. They cannot prove it because the contribution is public.

I am going to fundraisers across the land every week. I have more rubber chicken in my body than any other Canadian. I do that because I believe that what my party believes in is the right thing for Canada. These years, the people are coming in the thousands to give money to the Liberal Party. Good for them.

Some hon. members: Hear, hear.

* * *

[*Translation*]

OGILVIE MILLS

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Minister of Labour.

Ogilvie Mills workers in Montreal have been deprived of their jobs since a year ago today, when the company started using scabs with impunity, due to the laxness of the federal legislation. The apathy of the minister regarding this issue is simply unacceptable.

Considering that this labour conflict has been persisting for too long, and given the many public commitments made by the minister, how can she justify that, after a whole year, her government still has not taken any measure to solve this unfair dispute for the workers concerned?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, clearly, it is indeed deplorable to see a labour conflict persist for so long. Ogilvie Mills workers are obviously experiencing a very difficult situation.

• (1450)

Some time ago, the union asked to meet with me. A meeting took place and the union asked to go back to the negotiating table, with a special mediator. A mediation meeting took place on May 25 and 26.

That meeting resulted in some noticeable progress. Consequently, the two sides, including the union, decided to hold another mediation meeting on June 20 and 21.

I do hope that the parties will reach an agreement.

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, it must be pointed out that the conflict is not due to the state of negotiations but, rather, to the fact that there is no anti–scab legislation.

How can the minister explain that, after claiming that such legislation was a priority, she has yet to do something about it? After all, she is well aware of the benefits of the Quebec anti–scab legislation.

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I want to make it very clear that the conflict is related to collective bargaining. Today, I urge both sides, the union and management, to reach an agreement.

As regards the use of replacement workers, I made it clear to the union that the issue was being examined as part of the overall review of part I of the Canada Labour Code currently under way.

* * *

[*English*]

CODE OF ETHICS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the Prime Minister says he wants specifics. How much more specific can we get, with an inappropriate diversion of funds from a federal–provincial agreement as defined by the auditor general of Nova Scotia?

This diversion of funds has been called illegal, immoral, and misappropriation. Yet the Prime Minister refuses to have his ethics chairperson look after this thing and investigate it.

An hon. member: Lapdog.

Mr. White (Fraser Valley West): My question is for the Prime Minister. Since at least one person has called the highway 104 scandal a misappropriation of taxpayers' funds for which someone will be held accountable, why has the Prime Minister silenced not only that member but the minister responsible for this unethical diversion of funds?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I have explained many times in this House, the priorities for highways within a province are decided by the

minister of transport or highways within that province. In the case of Nova Scotia, the Government of Nova Scotia had other priorities, so we did what we have done with many other provincial governments. When there is a need to change priorities, we oblige the provincial governments, as a good government in Ottawa should do.

We can impose our will all the time, but everybody would tell us that we are not being respectful of the wishes of the provinces and are being the big brother deciding for them. When we oblige them they blame us.

For a good situation in Canada, it is good that my ministers listen to the provinces whenever possible.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I think we are looking for good government in Ottawa. We have yet to find it.

Listen to the concerns here in the House, which have been going on since last year. Ethics, integrity, honesty, and openness are all gone out the door with this government. These are all broken promises of the Liberal red book. It is Liberal, Tory, same old story, right across the row here.

My supplementary question is for the Prime Minister. Since we are now seeing the arrogance of Brian Mulroney over here with a new red book face, just how bad does it have to get before the Prime Minister sees fit to assign his ethics counsellor to this situation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when it is time for the next election all our promises listed on page 111 of the red book will have been met. I can guarantee that.

We were elected for five years and we have only been here for a year and a half so far, yet we have already met two–thirds of these election commitments. That is not bad. We will keep working to meet our commitments.

• (1455)

As far as the hon. member is concerned, he has been up a dozen times with this question, and every time it has been strike one, strike two, strike three.

* * *

BREAST CANCER

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, my question is for the Minister of Health.

More funding is required to support efforts to establish breast cancer support groups across northwestern Ontario. This funding is especially warranted in light of data indicating the federal government committed greater amounts of funding on a per patient basis to other diseases than to breast cancer research.

Does this government have any intention to increase funding for breast cancer research, education, and support groups?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, despite the fiscal challenges we face as a government, much is being done in terms of breast cancer.

Among other things, we have formed partnerships in order to have more dollars to put into a broad range of research projects. We have among others the Canadian breast cancer research initiative, which is a broad partnership of Health Canada, the Medical Research Council, the National Cancer Institute of Canada, and the Canadian Cancer Society.

Additional funds are also being invested by the corporate breast cancer fund started by the Royal Bank. It is estimated that this partnership will generate approximately $55 million toward breast cancer research in the near future. Is it enough? It is never enough, but we will continue to work very diligently toward finding more dollars to look into this very serious disease.

* * *

[*Translation*]

AGRICULTURE

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the Minister of Agriculture.

The Bloc Quebecois has affirmed many times in this House that the Minister of Agriculture must treat all producers fairly, including Quebec producers, regarding the Crow rate issue. The minister remained vague on the issue and, when the 1995 budget was tabled, we saw that the compensation offered to eastern dairy producers was not fair.

Does the Minister of Agriculture realize that western producers will be compensated for the loss of the Crow rate subsidy, but that eastern dairy producers, who will also be hit with cuts, will have to face the consequences of the budget without compensation?

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, the budget clearly demonstrates that we are handling transportation issues across this country in a way that is even handed and fair minded. We are dealing with all of those transportation programs in a consistent fashion, whether it be the WGTA in western Canada or the feed freight assistance program in various other parts of Canada or the maritime freight rates assistance program or the Atlantic region freight rate assistance program.

All of those transportation subsidies are in the process of being eliminated, and in every case there is an adjustment fund or a transition program being put in place to ease the adjustment from the old subsidized regime to a new economic order without the degree of subsidization that has existed in the past.

Point of Order

The compensation measures with respect to the WGTA are very explicitly laid out in the legislation that was dealt with at report stage yesterday. In addition to that—

The Speaker: The hon. member for Calgary Northeast.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Toronto *Star* today printed a story that is nothing short of shocking. They reported that last year our immigration minister personally, with his own signature, gave permits to nine members of terrorist and revolutionary organizations to enter Canada.

These are not campus protesters. These are people from groups that have claimed tens of thousands of lives in civil wars and uprisings.

Is this bizarre story true? Did the minister give entry permits to members of terrorist organizations? If so, what will he now do to remove them from this country?

• (1500)

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, a ministerial permit is a tool that is used by officials across the country and internationally to try to assist individuals in various situations.

Almost 7,000 ministerial permits were granted last year. Nine individuals received ministerial permits who were members of organizations that are automatically excluded from Canada. These individuals came here for periods of two days to a few weeks.

An example is an individual from Rwanda who was invited by the standing committee on human rights. Another individual was from the Middle East and was involved with foreign affairs in multilateral peace discussions. Another individual from an organization that has been defunct since 1970 came to give testimony on the human rights situation in Central America.

It would be very irresponsible for the member to try to intimate that these individuals were here and had gone underground, had asked for asylum or permanent residency. These individuals were allowed to come here for a short while and there was nothing untoward to the Canadian community.

* * *

G–7 SUMMIT

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance.

We know from press comments this morning that the G–7 summit in Halifax is going to cost taxpayers about $36 million to host. We all appreciate how important it is.

Since the conference is yet to be held, how is it that I have in my hand the Halifax summit communique, the final comment on the actual Halifax conference, which has been leaked to me. It is 11 pages of detailed commentary about all the agreements that the G–7 nations have taken. Could he explain that please?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member is sufficiently experienced to know that prior to any international conference, the sherpas, the various delegations get together and basically attempt to narrow the issue.

The member is also sufficiently experienced to know that the discussions take place when the leaders gather. That is when the decisions are made. The ultimate decisions may well bear no resemblance to whatever document the member happens to have.

I am sure the Minister of Foreign Affairs would agree with me that ministers of finance and ministers of foreign affairs would like to control their respective leaders and get them to say what they want. However it is my experience that rarely happens.

The Speaker: That will conclude question period. I have notice of a point of order from the hon. member for Calgary Northeast.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, allow me to provide just a bit of background to my point of order.

Last Friday, June 2, in Oral Question Period I asked a question of the Minister of Citizenship and Immigration in which I brought to the minister's attention the case of Mr. Victor Sumbley, who has had enormous difficulties securing a visitor's visa for a family member to come to Canada.

In reply to my question the minister of immigration responded with the following: "Today he," meaning me, "decides to do some constituency work after all because there have been a lot of complaints from Canadians in Calgary, Alberta who cannot get the time of day on immigration matters from members of Parliament. It pleases me, finally, to see the member of Parliament stand up for his constituents.".

I have no quarrel with the accusations made by the hon. minister of immigration. I am quite accustomed to his style of debate. However, in the interests of accuracy I must insist that the Speaker ask the hon. minister to recognize one very impor-

tant point. Mr. Sumbley, a successful Canadian for whom I have made an intervention is not my constituent. He is, in fact, represented by the member for Mount Royal, the Secretary of State for Multiculturalism and the Status of Women.

Mr. Sumbley turned to me for assistance in his immigration case because that member refused to Mr. Sumbley's face to assist.

• (1505)

The Speaker: I would rule that the hon. member surely does not have a point of order. It is a point of debate.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed consideration of the motion that Bill C–76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the third time and passed.

The Deputy Speaker: I understand that the hon. member for Yorkton—Melville had the floor when we interrupted the debate for question period.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I will briefly conclude my answer.

The hon. member opposite continues to perpetuate the myth, the fairy tale, that there would be fewer poor people if we continued having more and more big government programs and big government bureaucracy.

If we borrow money year after year we will be driving our children into the poor house. Who does he think pays for big government? It is the poor people of Canada who right now are being driven into the poor house to pay for it. The government keeps saying that Canadians need to have fairer taxes. All that does is raise the taxes of everyone. The government has raised the taxes for the poor, for the hard working, for the labourers of Canada.

The people of Canada are not being fooled by all of this. This is simply a fairy tale, a myth, which the government is perpetuating, that it is kinder, gentler and more compassionate. In fact, the most cruel thing it can do is to continue to borrow more money so that Canadians have to pay more interest and continue to impoverish the people. We are borrowing from the poor to give to the rich. That is the point I want to make.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I appreciate the opportunity to raise a question with my colleague and friend from Yorkton—Melville.

His earlier comments to the House were quite well received. However, I want to bring to his attention some comments which were recently made in a committee of the House by the Saskatchewan Association of Rural Municipalities concerning the future of agriculture and rural communities on the prairies.

One of the comments made by the Saskatchewan Association of Rural Municipalities was with respect to the government's claims that crop diversification and value added production will be a direct result of the elimination of the Crow benefit. The Saskatchewan Association of Rural Municipalities said this in its opening remarks:

> It is difficult to predict with any degree of accuracy whether the elimination of the Crow benefit will expedite the move toward diversification and value–added opportunities.

It goes on to say:

> It must be mentioned—that lack of capital is a significant obstacle to the realization of many successful value–added businesses.

It concluded the section by saying:

> Our association has made consistent statements to federal and provincial governments that the establishment of equity and/or capital venture funds is necessary for Saskatchewan to fully realize growth in value–added processing.

I believe very strongly that the position brought forward by the Saskatchewan Association of Rural Municipalities represents the view of many communities in rural Saskatchewan. They realize that with the withdrawal of the Crow benefit their communities will lose income and will need to find alternative sources of income to maintain not only their tax base but their quality of life.

The development of equity funds is one way to ensure that investment capital will exist. However we all know that the number of communities that will lose significant amounts of money will never be in a position to attract all of the investment necessary.

• (1510)

Will the member for Yorkton—Melville inform the House whether he supports the Saskatchewan Association of Rural Municipalities' position in this matter and what sort of investment opportunities he thinks will result because of the loss of the Crow?

Mr. Breitkreuz (Yorkton—Melville): Very briefly, Mr. Speaker, I have a hard time making the connection between what I had to say previously on this question but I will offer some comments anyway.

We have clearly stated that a transition period should have taken place before the Crow rate was pulled out. This transition would have allowed much of what this member talked about to take place. If it is suddenly pulled out it is going to be much more difficult for people to adjust to the changes that will take place.

We had a plan to do this. We would have taken the Crow subsidy and rolled it into a farm program that would have helped farmers make the transition. That should have taken place. As it stands now farmers will probably have a very difficult time.

The changes that have been made probably eventually would have had to come but because of the way it was done by the government it is going to put farmers in a very difficult situation. I hope that is an appropriate answer to the member's question.

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Vancouver East.

I am pleased today to speak on third reading of Bill C–76. I begin by reading from page 16 of the Liberal red book which was the book we campaigned on during the election. It establishes in many ways the mandate of the government. It states:

> A Liberal government will adopt a two–track fiscal policy, matching a drive for jobs and growth with a comprehensive approach to controlling debt and deficits. The two tracks run parallel: fiscal discipline will support economic growth, while growth and jobs will enhance government revenues.

That is the basis of our platform and of our budgets.

The 1995 budget pursues both the goals outlined in that statement. Infrastructure projects are creating jobs across the country. I am certainly pleased to have them creating jobs in Halifax West. This program is an excellent example of job creation activities as one side of the two track approach.

The other side is also very important. We are attacking the debt and deficit. This attack is an important step toward a healthy economy, toward job creation. It creates the best possible climate for job creation.

For instance, since the budget interest rates have come down a bit. We would like to see them come down a lot more. Everyone who has a Visa account, a mortgage or a loan would like to see interest rates come down. We hope they will. However it has to be remembered that if the cuts in the budget had not been as large as they were interest rates would probably have risen.

Last year over 430,000 new jobs were created. That is largely due to the fact that interest rates were lower than they had been at times in the past.

If interest rates had been raised right after the last budget a lot of jobs would have been lost. In my area of Halifax West there is some concern because of the large civil service presence in the Halifax area. People who are being affected by the reduction in the civil service are very concerned.

The number of civil servants being cut is 45,000 across the country. When we recognize how many jobs that were created last year, over 430,000 jobs, you can see how much you can lose by having interest rates rise. What we lose in civil service jobs we hope to make up for by keeping interest rates low. That is a very important point.

Keeping interest rates low is very important in terms of the disposable income that people have to spend on things. If they are paying more for their mortgage, paying more for their Visa account, paying more for all their loans they have less to spend on consumer items, less to keep the economy going.

• (1515)

As we all know, expenditure reduction is a key to reducing our deficit. We cannot reduce our deficit without reducing our expenditures. That is why the government will reduce cumulatively over the next three years $25.3 billion. We are doing this without increasing personal income taxes.

We are maintaining our assault on the deficit with fundamental changes to the structure of government. Government must still be active but we have to find ways to reduce duplication. We have to realize the things that are the most important, find the priorities for government and reduce activity in other areas. We cannot afford to be in all areas all the time.

We are making tough choices in the budget. There is no question about it. It was not an easy budget to work out. There have been difficult decisions made. Program review involves some of those decisions; it involves going through the whole government department by department and analysing which activities and programs of government we should maintain and which we should reduce or remove. We have to maintain the most important ones. It is all about sustaining the most important activities of government. Those are the reasons we have to do this in terms of government reduction.

For those in my area and for those people who are affected by the cuts to government programs and the civil service, it is very difficult to accept and to receive those cuts. That is why it is so important we achieve our reduction in the civil service in a humane way. I spoke to the President of the Treasury Board when he was in Halifax some weeks ago about this matter, trying to maximize the flexibility so civil servants could move between the departments where there were possibilities of openings.

We are also merging and commercializing many programs of government in order to reduce our costs. We are also doing some other things I think are very positive. Most people recognize it as part of the balancing act that happened in this and the very important balance provided in the budget. We have cut business subsidies by I believe $60 million; that is important in terms of balance.

We are trying to achieve better management of government. We have also made changes in the new Canada health and social transfer. The Reform Party is telling us we have not made enough cuts. I do not think it has a real understanding of what the

effect of those cuts are on regions like mine. There will definitely be a real challenge in places like Halifax and throughout the Atlantic because of some of these reductions, especially in the metro area of Halifax—Dartmouth. We will rise to meet that challenge. We can do it and we know we have to. At the same time, to say we should go much further right now makes no sense to me at all. It fails to realize the impact these reductions will have in regions like Atlantic Canada.

The people in my riding of Halifax West have told me in their view the budget struck a good balance between the two tracks of our approach. There are enough cuts to get us on track regarding the deficit, to get it down where it should be quickly. At the same time we are maintaining the important principles of our government, the important Liberal principles of maintaining social programs.

I mentioned there is no hike in the budget in personal income taxes. There are new measures to ensure that taxes owed are collected. That is very important in terms of improving fairness in our tax system. There are also tighter rules for tax deferrals and for foreign and family trusts. It is certainly time the tax holiday for family trusts came to an end.

The red book platform focused in many ways on small and medium size businesses. The 1995 budget contains many continued efforts to support small business which we all know is the engine of our economy and which provides so many jobs. So many of the new jobs in our economy are being created by small business and so it is very important to continue to support small business activities.

The government looked to members of Parliament for input in terms of what we should be doing to help small business, which is why last October the industry committee came out with its report "Taking Care of Small Business". In November, 1994 the small business working committee came out with its report "Breaking Through Barriers". Many of the recommendations in those reports were adopted by the Minister of Industry when he gave response entitled "Building a More Innovative Economy" which contained among others key initiatives measures to reduce the paper burden for business. We all hear about the red tape and the number of forms people have to file and deal with when they are in small business. It is overwhelming for them.

I was talking recently to a friend who operates a small engineering business in my riding. He was talking about how he is always filling out an endless array of forms. It is important to reduce some of these forms. Also in those initiatives I mentioned there was a strategic procurement initiative which is very important to see that some of our government procurement comes more and more from small business across the country.

• (1520)

We are seeing the expansion of the Canada business service centres across the country to provide more services to help small businesses getting started or that need help with advice in terms of expansion. We are seeing the reform of the regulatory systems which will help to reduce red tape. We are also seeing new export financing initiatives targeted toward small business. The Export Development Corporation has been instructed very strongly to not only help the big companies but to focus its attention toward helping small business.

That is very important. Small business told us the most important obstacles to growth and jobs and to its growth, which means growth and jobs, is the debt and deficit. That is why we attack those obstacles. The budget reaffirms our commitment to small business as the engine of growth and job creation.

I am pleased that the Atlantic Canada Opportunities Agency is assisting in those efforts and doing important work. It is one of the most important financing tools in Atlantic Canada.

The OECD has advised countries that if they want to provide for a strong future they should support the development of self–employment skills in our populations. I am pleased to recommend support of this bill.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I appreciate the opportunity to again put a question to a member on the government side.

Members have had an opportunity to review the bill, to study it in caucus, to talk to cabinet members about it, review it in the finance committee and examine it in their own ways.

The hon. member comes from a part of eastern Canada with some agricultural base. Therefore he should have some understanding of rural life in Saskatchewan. As a member of government he has an obligation to review the effect this legislation will have on rural Canadians right across Canada.

The hon. member talked about small business. When we in Saskatchewan think about small business we think not only about those who are entrepreneurs selling or manufacturing products but also those who are producing products on the farm.

In all fairness to the government to have claimed otherwise, this bill and the budget in general will have a more devastating effect on rural Saskatchewan than on any other part of the country.

With regard to the bill, the legislation and its effect on the farmers through the reduction of the Crow benefit, I ask the member if he can identify any studies that will back up his government's claim that this legislation will lead to increased crop diversification and enhanced value added production.

At the same time, given his commitment to small business, can he tell us and the farmers of western Canada what transition measures he believes are necessary to secure the future of rural communities given the immediate withdrawal of federal support for grain transportation?

Mr. Regan: Mr. Speaker, the hon. member is not familiar with my riding and its nature. There is very little agricultural activity in my riding.

The member mentions rural Saskatchewan and that I should have some understanding of these issues. My grandfather would agree because he, my mother's father, was the member of Parliament for Meadow Lake, Saskatchewan and spoke often of the concerns of agriculture in the House in the 1950s.

The budget is balanced. Perhaps the hon. member is not aware that in last year's budget Atlantic Canada took quite a strong hit. We lost a lot of military bases. Close to my riding, the base in Shearwater was cut by 40 per cent. We lost the base in Cornwallis and have had other cuts across Atlantic Canada in the 1994 budget. It was gratifying and satisfying to see a greater balance in this budget.

• (1525)

The hon. member talks about the problem of diversification in agriculture. Canola, invented in western Canada, is one of the products being grown more and more in western Canada and is providing a real good cash crop for western farmers. The area is also seeing more development and work in terms of bio–fuels. Both of these commodities are the kinds of things that can provide for western diversification and allow farmers to keep operating in western Canada, which I think is very important.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I rise to speak to Bill C–76 for the second time. While previously I spoke on the total content of the act, today I wish to speak to part V of the act and particularly on social transfer and social programs.

While I understand the concept behind the change of payment of social services to the provinces and the need for taking some drastic steps, I am concerned about the application of the funds.

We all know the importance of social programs and the high rate of acceptance by Canadians for such programs, amounting to over 70 per cent of our population.

The legislation for the Canada assistance plan was passed in 1996, but since then over 14 million people either were born in Canada or came as immigrants. Provinces in the meantime have become more progressive and have asked for more autonomy. The new legislation will offer greater flexibility to the provinces to deal with the distribution of social programs.

[*Translation*]

All this would be fine if the government did not have to cut payments to the provinces. These cuts are necessary to deal with the debt and the deficit. If payments were to continue on the same basis as in the past, they would soon have to be phased out altogether.

Although these are sensible decisions, we cannot forget those who will suffer most as a result of these cuts. When Canadian taxpayers asked us not to raise taxes, I often explained this would mean cutting services and programs, which would not help the poor and those who need social assistance.

[*English*]

Being on welfare has become a stigma. Society has a tendency to label people without taking into consideration that life is not treating everybody in the same manner. We know that as long as there are rich there will be poor, but it is up to the rest of society to make sure the needy are treated fairly. People on welfare are very vulnerable and have to struggle to keep afloat.

Too many people are poor in Canada. One child out of five lives under the poverty line and where there are poor children there are poor parents. Statistics do not mean much. They are just numbers and behind them there are real people. Every percentage point means several human beings, each one of them with rights and privileges like everybody else.

In my riding many of the children in the inner schools eat only one meal a day provided by the school board. They wear clothes donated to them and never want to go home because they do not have a home, they have a house, often empty, where there is no warmth or affection. Often children look for affection elsewhere with the consequences we all know.

Last week the Minister of Health was in an inner school of my riding to announce the head start program for aboriginal families. The children in the school, many aboriginal, gave the minister a great welcome. She spoke to the children. She spent time with them and this, for the children who spoke to the minister, was probably the highlight of their school year and was a great shot in the arm for the parents who were present and for the teachers and the principal who live with all the difficulties day in and day out.

Some say God made mothers because he could not be everywhere. Long ago I added to the word mother, intended for parent, the word teacher because of the hard work many of them do with many of our children, especially with those who need it the most.

These children are not mere numbers. They are individuals, our men and women of tomorrow. What an opportunity we miss. They could be the professionals and the tradesmen of tomorrow and a lot of potential is going to waste because of the lack of resources they are faced with. These children represent one–fifth of the population of tomorrow.

• (1530)

[*Translation*]

The other day I visited skid row in Vancouver. In one of the hotels I met a young aboriginal man, and we had a conversation. This young man, who is very intelligent, had finished high school, went to college for two years and to university for three, and had lived a decent life until he started using drugs. What a shame and what a waste.

There was also a very young woman who was coming out of the hotel. She was too young and too vulnerable to be going to a hotel on skid row. What a shame and what a waste.

[*English*]

This misery can be found all over the world, but in Canada we should not allow it to happen. CAP exists to try to give some dignity to people who would otherwise live in sheer poverty.

My concern about the new system is the loss of the five rights which up to now have been imposed on CAP: the right to income when in need; the right to an amount of income that takes into account budgetary requirements; the right to appeal; the right not to have to work or train for welfare; and the right to income assistance regardless of the province you are from.

Part V of Bill C–76 only maintains the fifth right requiring that "no period of minimum residency be required or allowed with respect to social assistance". Maintaining only this right is not enough. Each province could go in a different direction and deny welfare for other reasons. This would increase poverty and crime and would put even more people on the street. If a province denies individuals welfare, it is possible to move to another province, but if all the provinces do the same, where would people go for help? South of the border?

[*Translation*]

Poverty is everywhere. Last week, my opposition colleague said that in a separate Quebec, there would be no more poverty, but I think we will have to think very seriously about all of us working together, if we want to reduce poverty and improve the circumstances of so many Canadians. I believe that united we stand and that together we can get the best results.

I know that the bill provides for consultations with the provinces to reach mutual agreement on social programs. But I also believe that if we maintain the five principles of the welfare program at the federal level, we can at least have a discussion based on these principles.

[*English*]

The House finance committee in its recent report has backed the right of appeal. This is a very sound decision and an important recommendation. I would like, as would many other people, to see this recommendation implemented and the remaining rights maintained.

Let me go back to my riding where there is the only emergency day care in the city of Vancouver. The greatest majority of children in day care have drug related and alcohol related syndrome. The reason: poverty. In my riding, there is the food bank where tons and tons of food are distributed on a regular basis to hundreds of people. The food bank is not alone in offering this service; other good hearted people do the same. This is found all over Canada. If we abandon the rights of CAP, we also abandon these people creating a new category of poor. Because of this action we will have many more program disparities than we have now.

I have met several people since budget day. These people have the poor at heart. They are those who work on skid row, those who teach in the inner schools, those who deal with people with disabilities. I thank these people for their assistance to me over this month. They really hope that when the minister of human resources meets with his provincial counterparts they will find a consensus and will keep the five rights.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I was not sure I could take part in this questions and comments period. Thank you for recognizing me. I would just like to ask my hon. colleague a question.

She talked about poverty in general, mentioning Canadian unity and Quebec sovereignty of course, and finally, quoted the principle of strength through unity. That is a principle often quoted even in my riding. However, based on fact rather than principles, in 1980, the Canadian debt was approximately $90 billion and unemployment was much lower than it is today. In Quebec alone, there were half as many people on welfare in 1980 as there are now.

• (1535)

So it was decided in 1980 that Canadian unity should be maintained. Fifteen years later, the debt has skyrocketed to nearly $550 billion and will reach $700 billion in just a few years, we are told; it is growing very fast. Unemployment is not double what it was, but almost. We now have 808,000 people on welfare. During these 15 years, we have come to realize that the gap between rich and poor is widening. The middle class is disappearing before our very eyes. Could the hon. member please explain how the strength through unity principle applies in that context?

Mrs. Terrana: Mr. Speaker, I think that what my hon. colleague just said is incorrect because, as you know, this matter has implications not only in Canada but also throughout the world. I also think that in 1980, when Quebec decided against separating from the rest of Canada, the battle for separation was not over and this has been a source of major instability across the country. I think that while it may not be the only cause of poverty, it certainly is a contributing factor.

[*English*]

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the hon. member for Vancouver East, like the hon. member from Halifax before her, has an obligation to all Canadians to review and ensure that their support for legislation is fair.

I am wondering if the hon. member for Vancouver East understands that if the bill before us cuts $1 million from various rural communities that it will result in the loss of elevators, increased input costs for farmers and decreased prices for farmers. I have newspaper clippings galore here that indicate all sorts of problems will result in agriculture trade as a result of this legislation.

How can the hon. member in all good conscience support this legislation when these immediate and long term impacts will be so devastating on prairie people?

Mrs. Terrana: Mr. Speaker, not only the prairies and the farmers have been hit in this budget but many other people have as well. This budget is not good at all for the people in my riding. They will suffer.

We have subsidies and subsidies were cut which of course is not a pleasant thing to do. However they had to come to an end. There is a transition period and $1.6 billion is being offered to the farmers to adjust to the new situation. In my duties as a member of the transportation committee I also asked a question about the effect of Crow for instance on transportation. It seems they are not very concerned about it. I would like to see the situation adjust. It is tough we have had to do that, but we have taken great care to be equitable in our cuts.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, I wish to inform you right away that I will share my time with my colleague from Terrebonne.

I am very happy to speak again today to Bill C–76, which is a major bill allowing this government to implement various provisions of the hon. finance minister's budget.

As everyone will agree, one of the key elements of Bill C–76 is the planned cuts to the federal government's transfers to the provinces. With some $7 billion in cuts to be spread over the next three years, $2.5 billion will be cut in Quebec alone. For the Quebec government, this is in keeping with its relations with the federal government, which, in the last 12 years, has deprived Quebec of $14 billion. This represents over $1 billion a year, which easily explains why the Quebec government is in a difficult financial situation. This can be seen throughout the health care sector. In the Montreal region alone, there is talk of closing between seven and nine hospitals, if I remember correctly.

• (1540)

We must be aware that the cuts imposed on Quebec by the federal government are at the heart of the problem, particularly as far as hospitals are concerned. It is too easy to blame the messenger for the bad news. Real courage means taking responsibility and facing the situation, as the Quebec government is doing, unlike the people here who prefer to hide their decisions.

All the cuts made in recent years have led, as my Vancouver colleague pointed out, to the proliferation of food banks, which unfortunately have become increasingly important in the daily lives of too many Canadians and Quebecers. Cuts are therefore the first element of the Canada social transfer.

The second element is implementation. To add insult to injury, the federal government is not only cutting transfers to the provinces but also imposing its own standards. The provinces will not be free to use the amounts still available as they see fit. We know that in a few years cuts will not even be an issue, since there will be no more federal transfers. Yet, the federal government dares to impose standards.

As the provinces already have to comply with federal health and welfare standards, they will now be required to conform to federal standards in social services and post–secondary education. Federal involvement in these areas violates the constitution.

The rules for running the country are set out in the Canadian constitution. Section 93, in particular, provides for this kind of thing. For a great many years, we have been aware that the federal government contravenes the Canadian constitution, in particular section 93, by disregarding provincial jurisdictional claims in the areas of health, post–secondary education, social services and welfare. Despite its cuts, the federal government dares to impose and expand standards in areas that are none of its concern.

The third and last element, which is related to the Canada social transfer, is the fact that the UI fund is currently growing. Need I remind members that contributions to this fund are made by those workers lucky enough to have a job and by their employers?

Thanks to the insight of the hon. member for Mercier, who is the Bloc critic on social issues, we feel, and rightly so, that the federal government is preparing its strategy against the provinces by letting the UI fund grow, while at the same time going after the provinces by imposing cuts in the transfers made to them.

Soon, the government will be offering to the financially strapped provinces money—that is money which does not belong to it but, rather, to the workers and companies contributing to the UI fund—to help meet new needs, or to implement readjusted manpower training programs from coast to coast.

The government will tell the provinces: We have money. You do not have any, but we do. However, that money will not be the federal government's money. It will be money contributed to the UI fund by ordinary workers and by the companies which employ them. There is something immoral in all this, something which we will denounce as long as we are here.

Our position regarding the Canada social transfer is very simple: It should not exist. The federal government should mind its own business; it should comply with section 93 of the Constitution and withdraw from provincial fields of jurisdiction. The savings thus made could be used to reduce taxes, and the federal government could give the tax points to the provinces, including Quebec. The situation would then be much clearer and certainly more normal.

• (1545)

Bill C–76 was the subject of debate on the last opposition day, last Thursday. The official opposition denounced the operation that it saw taking shape, the scheming, and that is perhaps just the tip of the iceberg, with Bill C–76 that we are looking at today, Bill C–88 on internal trade, Bill C–46 on the new Department of Industry, and Bill C–91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

We see in this bill, and that is our right, a scheme first to stop Quebec in its tracks and surround it and then to quietly lay the groundwork for a post–referendum scenario in which Quebecers will have decided to stay in Canada. And, in that scenario, the other provinces will find themselves in the same boat as Quebec, whose decision not to leave will be disastrous.

We denounced this scheme last Thursday. At that time the member for Edmonton Southwest applied some, I would think, rather unparliamentary terms to us, and I quote: "The Bloc Quebecois is suffering from tribalism, with its constant harangue that certain federal policies are centralist and target Quebec".

I would simply like to remind our colleague for Edmonton Southwest that we are doing our job, that we are perhaps showing some vision of the Canada of tomorrow, and that it is also the responsibility of the members of the Reform Party to help preserve the integrity of this Canada, because we are witnessing an insidious move by the federal government to centralize Canada to the detriment of the provincial governments that they are supposed to be representing, which will soon become regional governments. That is what the future holds. They perhaps have the right to see it this way, but this view is certainly not unanimous throughout Canada. It is disastrous for Quebec. If this scheme succeeds, a nation that has the right and the desire to exist may disappear.

To be accused of tribalism is rather insulting. I wonder whether it was ignorance or bad faith that made the hon. member for Edmonton Southwest and his colleagues use such language and show so little understanding and respect for the position of the Bloc Quebecois on the future of the people of Quebec.

Finally, I would like to draw your attention to a recent initiative that hardly reflects the intent of Bill C–76. I am referring to a flyer distributed recently in Quebec under the auspices of Power Corporation—friends, and we know who they are—and to all Canadian homes. This flyer, and we do not know how much it cost, describes the attractions of Canada Day.

To spend that kind of money now is rather obscene. I may recall that the Department of Canadian Heritage, which is responsible for publishing the flyer, had a budget of $1,066,000 for community groups which lost one million to cutbacks. This leaves $66,000. Imagine how much this flyer costs, compared with the remaining $66,000?

This seems rather unethical. Furthermore, after the flyer was sent to all Canadian homes, a poll was taken, and my wife had the privilege of being called by the Comquest firm, always at the expense of the public purse. While vaunting the merits of the National Capital, some leading questions were asked with the emphasis on Canadian unity, while pretending there was no connection at all with the referendum, certainly not.

You get people like the ineffable President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, who make fun of the Government of Quebec and its public consultations on the future of Quebec, a government that wants to provide information and find out what people think and still has a 1–800 line to give this information to the people of Quebec.

Instead of sending these flyers, perhaps the federal government should write to the citizens of Canada and explain its vision of and its plans for the Canada of the future. That would be a lot more democratic than this miserable little flyer.

• (1550)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I would like to make a brief comment and put a question to the hon. member with regard to the social transfer.

As the member well knows, under the Canada Health Act the federal government is empowered to enforce the provisions of that. Those provisions are that our medicare is universal, portable, accessible, publicly administered, and comprehensive.

The transfer presently to the provinces with regard to health care is in the form of both tax points and cash. The member will well know from the current example with regard to the clinics in Alberta that the Minister of Health has indicated that in the event that the Alberta government does not respect and uphold those principles of the Canada Health Act there will be a withholding of the cash amounts relative to the extra billing in Alberta.

Under the Canada health and social transfer, the government has combined the transfer mechanisms primarily because of the cash component. In the event that there was no cash component with individual programs, the government would have absolutely no leverage whatsoever to help to protect those standards and those principles of the Canada Health Act and of the other programs.

The member will well know that the provinces do not necessarily spend the moneys transferred to them. Whether it be post–secondary education, health, or social programs, they do not necessarily direct those funds received for the purpose for which they were given. In fact the provinces have the latitude.

Since the provinces are already spending the money in a form they believe is appropriate for their province, how would combining the transfers for all the programs under one impact, if at all, the present operations of the provincial governments?

[*Translation*]

Mr. Rocheleau: Mr. Speaker, what struck me in my colleague's question is that, in the spirit of the Constitution, a jurisdiction like health falls strictly under the purview of the provinces. It is unconstitutional for the federal government to intervene in the way it does, exchanging assistance for adherence to standards. From an historical perspective, this is an abuse of its power to spend. And historically, it has also always granted itself the corresponding powers to tax, and this has been going on since the end of the second world war.

This allows it to intervene today, some might argue in a responsible way, but I must say that we in Quebec have no need for this. We are stuck with the federal government, stuck with paying it $30 billion each year and stuck with its standards in areas for which Quebecers already have institutions. We have no pretensions, but we also have nothing to learn from it regarding social democracy and sound social organization principles.

This order of things may well suit the rest of Canada. We see that the Canadian government holds a larger place in the hearts of Canadians than Quebecers: our first allegiance is to the government of Quebec. Therefore, the internal logic of Canada may make a central government in Ottawa work well. That will be your decision to make in the post–referendum context. But, now, the logic of Canada contrasts with the logic of Quebec, and we ask Canada to withdraw from this kind of thing and to let the government of Quebec keep its tax points in order to administer health, all social issues and education.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I am pleased to rise today in this House to speak on a bill that, according to the government opposite, gives the provinces more decision making room, while taking $7 billion away from them, in the space of two years.

With absolute seriousness, the Liberals are proclaiming for all to hear that this is new flexible federalism. The provinces are not being given the right to withdraw; the federal government is clearly opting out financially with the aim of reducing its debt and balancing its budget, if possible. In reality, the federal government is cutting off the provinces and giving itself more right to supervise and to intervene.

• (1555)

During the course of this debate you have heard words like demagoguery and bilge. I am going to quote documents of the present government, not documents of the Conservatives and not documents of the wicked separatists, but documents of the Liberals, who lacked the courage to note in their red book that they would drop the most disadvantaged after cutting them off.

They also failed to note that they would make students in Quebec and Canada meet national standards after they cut off their financial support. I am going to quote documents from members and documents from ministers, who are present today in this House. The $7 billion cuts are contained in the latest budget. It provides for $2.5 billion in 1996–97 and $4.5 billion in 1997–98; 2.5 and 4.5 add up in my books to $7 billion in cuts, as set out in the budget.

As regards the national standards, which cause the Minister of Finance to say, and I quote: "[I] will be inviting all provincial governments to work together on developing, through mutual consent, a set of shared principles and objectives that could underlie the new Canada Social Transfer". This is a quote from the minister, the member for LaSalle—Émard.

What happens if there is no agreement, no mutual consent? It seems to me that, in 1981, there was agreement and mutual consent in the case of nine provinces out of ten. Since that agreement, Quebec has suffered the shame and affront of unilateral patriation. Our motto is: "Je me souviens", and we remember.

We must also bear in mind that the current Prime Minister was a major player in this coup against Quebec, and that he is now promising to be reasonable, as he told this House. But if the future is anything like the past, in Quebec, we are in for more unilateral encroachments.

They talk about agreement, respect and mutual consent, while at the same time federal officials are producing documents that I would describe politely as somewhat centralizing. The report of the national education standards committee, a 130 page report submitted to the Prime Minister recommends among other things—this is recommendation No. 1—that standards of excel-

lence be defined at every level and in every field of education and training. These standards should reflect the highest national and international levels of performance and should be regarded as the primary objective to be achieved by students.

This recommendation, made in a report dated May 1994, under the Liberals, clearly shows the direction taken by this government even before any consultations were conducted: cuts and growing interference in an area which, I remind you, has been under exclusive provincial jurisdiction since 1867. That gives us an idea of what to expect from Bill C–76 and mutual consent.

That is not all; there is more. Recommendation No. 2 states that a higher percentage of education spending should be directed to research and development. What spending? Who will control that spending? Every one in Quebec, including Ghislain Dufour and the Liberal MPPs, wants control over manpower training to be returned to the province.

Further in the report, it is recommended that the federal government provide assistance for the development and administration of tests on every basic subject. It should be pointed out that we are talking about a provincial jurisdiction here.

Another recommendation: That every level of government make it a priority to earmark sufficient funds to analyze and make maximum use of the results and implement recommended changes.

It so happens that, in Quebec, we have a Ministry of Education with 5,000 employees. Other provinces also have ministries of education. In addition, in Quebec, we are currently holding a summit conference on education. That shows how little respect the federal government has for local and provincial authorities. Why is it so bent on increasing costly duplication and overlap?

Through Bill C–76, the federal government makes $7 billion in cuts here and there. As was mentioned with regard to the report on national education standards, its presence is being intensified in exclusive local or provincial jurisdictions.

• (1600)

This report refers to an annual conference on national education problems, to a national review organization, and so on. From the outset, I have been trying to demonstrate that Bill C–76 provides for national standards, that the federal government's centralizing approach has led us to expect the worst as far as the definition of these standards is concerned. The only report on national education standards reflects the education policy contemplated by this government.

Unfortunately, I have been unable to address the issue of social services or that of health care, which, as my colleague from Trois–Rivières said earlier, has also been under exclusive provincial jurisdiction since 1867. Other reports by the Bloc Quebecois have demonstrated the federal government's irresponsibility in these areas in connection with Bill C–76.

In conclusion, I would like to quote two excerpts from an editorial by Michel Vastel. The first excerpt relating to Bill C–76 reads as follows: "Any province that does not mention the federal government's contribution will be fined. The financial penalty, to be recommended by the federal minister, can go as far as withdrawing the total contribution under the Canada social transfer. Such a penalty could amount to roughly $7 billion".

A Liberal member asked earlier why we objected to putting social programs, health and education in the same bag. Failure to comply with a given agreement may lead to the loss of the whole package. For Quebec, this would translate into a $7 billion penalty simply on the recommendation of the federal minister.

The second excerpt from the same editorial is this: "Notices saying something like "This service is provided thanks to a contribution from the Government of Canada" will now be displayed in hospital lobbies and on Quebec health insurance forms". The size of letters, the colour of the maple leaf will be determined by memorandums of understanding, mutual agreements and umpteen meetings of federal and provincial officials.

Thank you, Mr. Speaker, for giving us the opportunity to speak to Bill C–76.

The Deputy Speaker: The hon. member for Mississauga South, for a question or a comment.

As the hon. member may know, I always try to give the floor to a member from a party other than the one represented by the previous speaker.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I expect that another hon. member would also like to comment.

With regard to the social transfers, the question has been raised as to whether they should be going into one pool. If the Bloc has a problem with grouping them together, knowing full well that the provinces spend the funds wherever they want anyway, would the member agree to mandating that all dollars transferred for health care be spent on health care, that all dollars transferred for education be spent on education, that all dollars transferred for social programs be spent on social programs, and that the provinces would have absolutely no discretion in that spending?

[*Translation*]

Mr. Sauvageau: Mr. Speaker, I thank the hon. member for his question. I find that, when it comes to streamlining this whole transfer process, Quebec probably has the ideal solution: we pay our taxes to the province and we make our laws in the province. This is what we call sovereignty. This is what we want to do, so as to avoid all these problems.

The reason why we oppose these national standards and these costs is very simple. As I said earlier, the number one recommendation of the committee on national standards for education provides for basic national standards on all subjects taught and on all training programs. The federal government also says in the report that it wants to see more science and technology courses. Sure, but if, for example, Newfoundland would rather offer more courses related to fisheries or social issues, what will happen if national standards are in place? That is my first example.

Let me give you another. Do we really want to allocate the money earmarked for education to education, and the budgets for health care to health care?

• (1605)

I am personally convinced that the Canadian provinces as a whole are responsible and that they will allocate the funds where it is necessary.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I want to thank the hon. member for Terrebonne, who wants certain powers. It is said that all the English provinces are getting together to demand more autonomy, that they are also in favour of decentralized government. Mr. Johnson says he keeps hearing the same message when he travels across Canada. And Mr. Bourassa said the same thing.

Everyone wants more power. No one is satisfied, and especially not Quebec. Why do we go on making these demands year after year? Why do we keep saying we must do something that is very worthwhile and make Quebec sovereign?

My colleague talked about education, and we realize that Quebec is lagging behind, because they wanted to create a lag in research and development. In the Gaspé alone, 10,000 students have left the region. I want to ask the hon. member: Why is Quebec not, and never will be—in my estimation—satisfied with the situation in post-secondary education?

Mr. Sauvageau: Mr. Speaker, I want to thank the hon. member for Matapédia—Matane for asking me this question. Education is my specialty, and although I do not think I have the answer, I may have part of the answer.

First of all, as he said earlier, at the post-secondary level students, like workers who have trouble finding a job, have to cope with overlapping programs and duplication, whether we are talking about federal or provincial programs.

I believe that as members of the Bloc Quebecois, we are more interested in education, which is a provincial jurisdiction, than members on the other side of the House, and I know why. They have other things on their minds, so let the government render unto the provinces what belongs to the provinces, like education, so they can get on with other business.

Now I would like to explain why young people are against national standards for education. As my colleague said, in Matapédia—Matane, for instance, they might need special emphasis on a particular sector, and that is what the états généraux de l'éducation au Québec are bound to conclude.

But how can we have national standards in an area that, when the Fathers of Confederation signed their agreement, was a provincial responsibility? Or so we are told. But how can we have similar standards for health care in Quebec, Ontario and Newfoundland? The federal government has imposed national standards for health care. What Bill C-76 wants to impose is the same medicine—no pun intended—this time for education. They want to set national standards for education.

When? Just when the government is going to cut funding. In other words, it gives less money to a province, gives more orders, and the province has to fall in line, otherwise funding for all programs will be cut: social assistance, education and health care. That is why we object.

[*English*]

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, approximately a year ago Canada began an incredible transformation, a change that has had a profound impact on all of us in this Chamber and on Canadians everywhere.

I am talking about finally coming to grips with our national debt, which over the years has now reached the unconscionable level of $550 billion and which demands so much of our interest that one-third of all of the tax revenue paid by Canadians to the federal government goes just to pay the interest. One-quarter of all federal government expenditures today are simply to pay the interest on our debt, let alone not paying it down at all. We have had to come to grips with that, and ever increasing annual debt adding to it. It has not been easy.

In the past governments have always been in the mode of giving things to people, of increasing programs, of increasing expenditures. Maybe it does not come easily to a lot of us to start to look at the reality and come to grips with our debt and deficit crisis. We have done it. One of the amazing things that we on the finance committee learned as we travelled across the country is that Canadians, from the richest to the poorest, all said we must get the deficit and debt under control. There was a lot of legitimate debate on how to go about it, but as we opened up the

public hearings Canadians were committed to the reality that we had to find a new way of doing things.

• (1610)

In the budget bill before us, Bill C–76, we have really attacked what in the past have been three sacred cows in Canadian government. The first is the western grain transportation subsidy, which for all of this century has given an incredible subsidy to grain farmers in the west to help them get their grain to market and to help them be competitive in what is really a dirty international market wracked and plagued by subsidies of enormous quantities in many countries.

It will not be easy for our prairie farmers. There are transitional provisions to help ease the burden and help them find ways to bear some of the brunt of the burden. It is not easy for us to have to say that this can no longer be the way we do business.

The second sacred cow we have had to gore is our public service. We have had to cut 14 per cent of our public service, or 45,000 public service jobs over the next three years. This is not easy for us. Those of us who have been in government for a long time realize that we are fortunate have a highly competent public service, with people who could be earning much more in the private sector but who feel they have a pride in actually serving their government.

This tradition was built up in Canada over this century, a position of great pride in our public service. Names that come to mind are the Robertsons, the John Holmes, and people who gave Canada a name internationally because of their intelligence and their commitment. They were the ones who got us into international peacekeeping. We can find individuals like this in every department.

For us to say we have to cut them, let us say to our public servants that we recognize that maybe they do not deserve it. They do not. We recognize they have made a great contribution to our country, and it is with heavy hearts that we have to put 45,000 people on the street.

There are a couple of ways you can do it. We went through a program review. Every program was looked at to see if it could be eliminated or whether it could be done better elsewhere or whether it was really necessary in order to eliminate expenditures and bring down the deficit.

The normal way to go about making the cuts is that all those people in a program that is axed would be asked to leave the public service. There are severance packages. We are contributing a large amount of money to ease the burden of transition from public to private life. However, we would be losing many very competent public servants if that were the way we were to proceed. From a management point of view it is quick and certain. After we on the finance committee listened at length to many of the public service unions we thought there might be a better way. We learned from them that there are people in many departments who might want to take the early retirement package and leave the public service, even if their program or department was not going to be axed.

The concept of substitution came out. The government tried to negotiate with the public sector unions and they almost had an agreement on how all the cuts could be made on a voluntary basis. At the last minute the agreement did not come about.

• (1615)

In listening to the witnesses we determined it would be very important to approximate some type of voluntary substitution program. Those who wanted to avail themselves of the early retirement package could, and people could switch from one department to another.

We were told all of these 45,000 jobs could be replaced on a voluntary basis and we therefore have encouraged the ministers and the finance committee to do that recognizing that in many cases this might not be practical. We have also asked the public sector unions to work with the minister in not only the promulgation of the guidelines for alternates but also in their carrying out.

The minister has been very responsible in responding to these entreaties on our behalf and the unions. From what I understand we are to have a much more humane and practical way of downsizing the public service than if we took the easy way out. It may take longer but we will have public servants who want to stay in the public service.

The third sacred cow we have had to take on is transfer payments to the provinces. By way of brief background, under the current regime that has existed up until now we have four types of transfer payments from the federal government to the provinces. One is for equalization to the poorer provinces to give them a certain level of public service. In the budget we have not cut any of these equalization payments.

The second type of equalization payment is under the Canada assistance plan from the federal government to match the funds put forward by provinces to deal with Canadians who are in need or who suffer from disabilities, the most disadvantaged and the poor. The province establishes the program and we match its funding. There are very few controls or strings over this money right now.

The third area is established programs financing which has two components. One is for post–secondary education where there are no federal strings attached whatsoever. The second is for health. We have a number of strings on this. The Canada Health Act says a province has to meet the five criteria of the Canada Health Act or else we can cut back the funding.

We are cutting back the $7 billion of transfer payments over a two–year period. We do not do this with alacrity because we know how important expenditures in these areas are. If anybody thinks we can cut the deficit without cutting in this area, they are wrong.

Under this new regime there will be a combination of the three programs, the CAP, the EPF for post–secondary education, and the EPF transfers for health, into one transfer payment instead of the two; combining the two into one, called the Canada health and social transfer.

We have not touched equalization. In the bill we have mandated the Minister of Human Resources Development through mutual consent with the provinces to develop principles and objectives for social assistance and post–secondary education.

Members of the opposition and many Canadians who appeared before us said that if we continue on the trend established in the budget for the next two years we will run out of cash payments. There will be no more cash payments to the provinces. In some cases it will be after 4 years; in some cases maybe after 11 or 12 years.

How can the federal government have any voice? How can we have any voice if we do not have cash? This is why our committee recommended in the future there must be a cash component. What will this do?

• (1620)

For the first time where we have very few standards today the provinces will have a major voice in determining the standards applied.

Because the amount of the cash transfer under the Canada health and social transfer is to diminish by $7 million over two years, people say we will have less clout with the provinces to force them into national standards, objectives, shared principles or whatever.

The object is not to force the provinces into anything. We have said we want the minister to sit down with them and develop through mutual consent. That means talking with them about the principles they want. This does not mean we are imposing them.

In the future, supposing we agree on shared principles or objectives, we will still need some money as part of the cash transfer to the provinces to enforce standards such as with the Canada Health Act which we are not touching. This is why we went beyond the budget and did something which a finance committee has not done in the past to my knowledge. We not only reported Bill C–76 back to the House but we did so with an additional report, report 16 of the finance committee wherein we said that in future years future Ministers of Finance—we know it will be this one for a long time, many decades perhaps—must have a cash component in order to ensure the standards under the Canada Health Act or new standards developed with the consent of the provinces are enforced.

Another concern related to the most disadvantaged economically, those at the bottom of the heap, those who do not have jobs, single parents whose children are living in poverty, those who are not working and the working poor, those referred to as the ones who get welfare or social assistance which were part of the Canada assistance plan in the past.

In the Canada assistance plan we matched transfers but we are no longer doing it. It is all combined in one payment. We heard a tremendous amount of testimony from the National Anti–Poverty Organization, from community groups such as the one here in Ottawa working with the poor, giving them health care and other assistance through a number of volunteers, many right across the country.

The federal government is cutting its transfers to provinces that are not the neediest, those with the least political clout, the provinces that will stop giving them the money. We have no control now over whether the provinces give support to the needy. If they do, we will match it.

When the finance committee set out last fall to prepare for the budget, we reported we would have to make massive cuts. We said we did not want these cuts to be made on the backs of the poorest because they are already down and out. They are the ones who in many cases cannot stand more cuts.

This is why in our report to the House of Commons we urged the finance minister and particularly the Minister for Human Resources Development when he talks to the provinces to make sure the most in need are not the ones who are cut out of the programs, children in poverty, the working poor and the others who are not there.

• (1625)

We heard testimony from the National Anti–Poverty Organization that according to its best estimates only about 3 per cent of those who are on welfare today are abusing the system. Even if its figures were twice what it us they were, are the abuses of a few people sufficient to bring down our wrath on all of the people?

We have to be very careful when we are making these cuts that we have our priorities straight and that we do not prejudice those who are already the most vulnerable, those who are most deserving of our support in what we consider and always want to consider to be a compassionate and caring society.

Because we are combining the two or three transfers into one, even though it is smaller there will be greater economic clout in the short term to enforce standards that might be agreed to and to protect the five principles of the Canada Health Act.

Over the longer term and in the more distant future we are urging that future budgets retain a cash component so these principles can be observed.

I started off by saying our national debt is a crisis we could not ignore. Past governments have overspent. It is not for us, I believe, a fruitful course to say—

[*Translation*]

"It was the Liberals, it was the Conservatives, or because of the NDP's support". It is up to us, to all Canadians, all Members of Parliament from all parties to deal with crises and to do better to build a better future.

We have begun our all out battle against the deficit. We must do it fairly, humbly and with the knowledge that by doing something about it today, we can build a stronger and more prosperous Canada for our children and our children's children. Such is our duty, and we will do our duty.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I was very appreciative of the comments the member made referring to the Canada Health Act and other social programs like that. He said, and I agree with him, if anybody thinks we can cut the deficit without cutting in this area they are wrong. I am being quite serious, not sarcastic. I hope he and other people who are responsible in the Liberal caucus get that message through to certain backbenchers like the member for Halifax or Beeches—Woodbine.

I wonder if the member would agree that in the case of the Public Utilities Income Tax Transfer Act and the doing away with the PUITTA grant, that very specifically was a tax increase.

The second question is with respect to the downsizing of the civil service. The member will recall that in committee I was trying to draw the minister out about the reverse of the hiring quotas or numerical targets. Does the member understand there will be absolutely no attempt on the part of the Liberal government to achieve its numerical targets under employment equity when it is laying people off by using that process selectively to simply do a reverse hiring procedure on the way it is planning on doing the hiring procedure to gain its balances?

• (1630)

Mr. Peterson: Madam Speaker, with respect to the public service, we will not do away with the public service act or the protection which any public servant has through the Public Service Commission and the rules regarding employment equity. If the hon. member thinks we are, he is wrong.

The beauty of the way we are going about the layoff is that it is being undertaken in consultation and in co–operation with the public sector unions as well as with management in Treasury Board and the various departments. That is why we have something which can work and which will achieve the level of substitution on a voluntary basis that we were hoping for.

In terms of PUITTA, members will understand that in the last budget year we spent $249 million reimbursing public utilities which had been privatized and which were in the provinces. We were reimbursing them for the income tax we collected.

How did they get into the private sector in the provinces anyway? They were privatized originally by the provincial governments in order to make them more efficient and in order to create capital funds for deficit reduction for the provinces. Now they are working in the private sector. They were a function and a creation of the provincial governments.

These utilities and the provincial governments were insisting that we continue to give them $249 million a year. Were the provinces prepared to rebate the corporate taxes collected by the provinces to these utilities? Not one was, even though they were creations of the provincial governments. If the provincial governments are not prepared to rebate the corporate taxes to them, why should the federal government? It is a real anomaly.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne, BQ): Madam Speaker, I would like to take the floor to briefly thank my Liberal colleague for so respectfully listening to all of our speeches. I would like to make a few comments before asking him my question.

As he said at the beginning of his speech, he shed some crocodile tears because of the abolition of 45,000 public service positions in Ottawa and across Canada. I have half a mind to ask him where the Liberals boasted about cutting 45,000 positions in the red book they talked so much about during the election campaign. Since everybody already knows the answer to that question, I will not ask it.

However, I would like to say that public servants probably have more reason to fear a Liberal federalist government in Ottawa than to fear the sovereignists who promise that they will be integrated into the Quebec public service—a promise that will be kept—in their draft bill. These public servants have much more to fear, and we now hold the proof—45,000 jobs cut—from the other side of the House, because that is where the cuts are coming from, and not from our side.

I would also like to mention something that my colleague did not deem worth repeating in his speech. The cuts for the next two years will be in the order of $7 billion, I repeat $7 billion. If we, on this side of the House, are mistaken, if this is not truly what is written in the Martin budget, perhaps they could give us proof and give us other figures than those that the Minister of Finance already gave us.

Now to my question. Earlier in your speech, hon. member, through you, Madam Speaker, you said to us: "There are no strings attached whatsoever to post–secondary education. Of course, we have a number of strings attached on health". So, why does a committee on national education standards exist and why has this committee already issued a 130 page report on national education standards?

Mr. Peterson: Madam Speaker, I would like to thank the hon. member for Terrebonne for his questions. First, as regards the public service, the minister and the committee insisted on some form of co–operation between the unions and the government concerning substitution, that is that the retirement arrangement must be accepted by individual public servants. Perhaps, and I hope so, in the next three years, all government retirees will follow the course of substitution making use of the generous benefits offered by the government.

• (1635)

Secondly, as concerns national standards in education, neither our committee, nor the minister nor the budget will require national standards in education. This is surely part of the negotiations undertaken by the Minister of Human Resources Development.

In listening to all the witnesses, we were very grateful to a group that suggested the standards in the area of education be not national, but international, standards of knowledge and excellence, given the area is a competitive one.

And we, like all Canadians, in Quebec, in British Columbia or in any province or territory, must take international competition and our own system of education across Canada into account, if we are really to take advantage of it.

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, the hon. member opposite apologized twice. First, he admitted that the Liberals and the Conservatives were responsible for the national debt. I thank him for admitting that. Of course, everyone agrees that we must reduce the deficit.

The hon. member also referred to three sacred cows, but he forgot one. He forgot the multinationals. Again, everyone agrees that multinationals often enjoy tax shelters which are far too generous. The same goes for banks. It is a disgrace when banks hardly pay any taxes.

The cuts in transfers hurt the poor and the young. Our young people have almost lost all hope, since they basically have two options, particularly in rural areas: unemployment or income security. This situation hurts them a great deal. I wonder if we could provide more help to these young people.

The hon. member did not mention the cuts affecting the Eastern Quebec Development Plan. The plan had a budget of $6.5 million. That money will not be available next year. The provinces will have to pay. Our farmers will have to put up with a 15 per cent cut this year, and another one next year, which will amount to a 30 per cent reduction in their subsidies. Again, Quebec will have to pay.

I know that everyone must make sacrifices. People back home, and elsewhere, are prepared to make sacrifices. However, this does not mean that the poor have to make the biggest sacrifices. I ask the hon. member: How could his government provide a little help in rural areas and give some hope to people?

Mr. Peterson: Madam Speaker, the hon. member was right when he said that the poor should be a concern for every party and every member in this House.

He also referred to the deficits. Indeed, the federal deficits were the responsibility of the Conservative and Liberal governments, just like the Quebec deficit is now the responsibility of the PQ government, whose last budget did not do much to solve the problem. I urge all provincial governments in Canada to rise to the challenge and do what we are trying to do now.

• (1640)

[*English*]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre–Dame–de–Grâce, nuclear non–proliferation treaty; the hon. member for Bourassa, immigration; the hon. member for Essex—Kent, agriculture.

Mr. Grubel: Madam Speaker, I have a very quick question for my colleague.

The Acting Speaker (Mrs. Maheu): I am sorry. The time for questions and comments on the last debate has expired.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, it is an honour to stand again in the House, this place where Canadians look for leadership, for the proper fiscal management of the country, to speak to Bill C–76, the budget implementation act.

I must share with everyone that I have considerable frustration in this place. Since being elected to the House I am convinced that one reason we have the huge problem of debt is that we lack an effective mechanism to control it. The reason is simple. Governments basically respond to their election platform and rightly so.

Taking it back one step, unfortunately during election campaigns we have trained Canadian voters to be very selfish. Over the last 30 years we have assisted Canadian voters to not make prudent fiscal decisions but simply ones that appeal to their greed. My observa-

tion is that this has happened at all levels of government. I know it happened in Alberta for a number of years. Albertans were persuaded by politicians to vote in favour of spending their money in order to put the party into power that promised the most using the taxpayers' money.

It never made sense to me. I feel to this day that politicians who engage in that practice somehow are being unfair to the Canadian public. What kind of an option is it to give a person when one party says: "Vote for us and we will give you these benefits" and another party says: "If you vote for us we will not give you those things". People will vote for the party that will give them the most.

I am very happy that has now turned around. I am happy that a sizeable proportion of Canada's population is beginning to face reality. People are voting for and electing members who stand on a policy of fiscal responsibility, of reducing government spending, of reducing the amount borrowed each year, of reducing the debt and hopefully in the long run of reducing the amount of taxation.

It is a false assumption that if the government stops taxing the taxpayers or borrowing against the future taxes of our children and grandchildren somehow our economy will suffer. That very process erodes our economy more than if we were to stop doing it.

We need to stop and think what happens when we as a country borrow money. We borrow a certain proportion from ourselves and it stays in the country. Presumably it stays in circulation and aids the economy. When people clip coupons from their Canada savings bonds and collect the interest, they may use the money for goods and services which adds to our economy.

• (1645)

Canada also borrows a great deal of money offshore. Every year it sends large amounts of money for interest out of the country. It is only logical that if it did not have a foreign debt then that money would stay in the country and would not just disappear.

Members need to be very serious in responding to what is the new fiscal wisdom of Canadian taxpayers in electing parliamentarians who are committed to reducing government expenditures and taxes. In the west where many Reformers were elected, it was the pivotal point in the platform which attracted a lot of voters. I hasten to add that to a certain degree it was what attracted voters who voted Liberal because the Liberals also included in their red book promises of more honesty in government, more openness and better fiscal responsibility. They promised it but what needs to be asked is whether they are actually delivering it.

Here again I want to be as gentle as I can but I must also as honestly as possible, level with the Canadian people on what is actually happening.

I have referred to some of these numbers in a previous speech but they bear repeating. When speaking of millions of dollars some people understand, but when speaking of billions a lot of people do not have the insight on what a number of that magnitude means. A good way of explaining it has to do with what happens if a person has a lot of money and is able to spend a dollar every second.

If I had a million dollars it would take approximately 11 and a half days to spend it at one dollar per second. If I had a billion dollars and I was spending it at the same rate it would take 32 years. When you put that into perspective you realise that the government is still overspending this year in the budget which we are being asked to approve, more than $32 billion. That is how much the government is borrowing in addition to the present debt. People need to grab hold of the magnitude of the problem, its severity and its urgency.

If you have ever done any boating you will know that if you have a hole in the hull the water will come in. Depending on the size of that hole, it may be insufficient to take a little cup to bail out the water because the water may be getting too deep to bail. Maybe what you need to do is to plug the hole. You need to put something into the hole to prevent the water from coming in.

The same thing is true with the national debt. The debt is so large and the interest payments on that debt are increasing at a rate over which we have no control. It is true the government is borrowing less now than it did last year. Can I be so brave as to commend the government for borrowing $32 billion this year instead of the $40 billion that it borrowed the year before?

Let us also put this into perspective. A good way to compare this is to use straight ratio and proportion. Let us consider the debt picture, the expenditure picture and the borrowing picture as it might relate to a family. I have used some of these numbers before.

A $120 billion expenditure, which is approximately what the government spent on programs three years ago, might equate to a family expenditure of $48,000. At that time the government was borrowing $40 billion, which equates to $16,000 borrowed by the family. Everyone understands this family is in trouble. Its income is $48,000 but it has spent $64,000. It has borrowed $16,000 in order to make up the difference.

• (1650)

It is true that the picture is now a little better. Instead of earning $48,000, this family is now earning about $52,000. Lo and behold, the borrowing, which has gone down to $12,800, results in a total value of $64,800. It has actually gone up.

However, the frightening thing is that in proportion, this family, with an income of $48,000 per year in 1992, would have had a debt in proportion to the Canadian debt of $168,000. The government was elected in the fall of 1993. After one year the debt had grown from $168,000 in proportion for this family to

$184,000 and now in proportion to $220,000. Clearly we are not heading in the right direction.

Somehow I wish we could impress the government with a better sense of the urgency of attacking government spending faster than it is because the water is still coming into the boat at a rate considerably faster than it is able to bail it out. The budget needs to be balanced and it needs to happen fast.

One of the problems is the mechanism of approving the budget. In my view and I believe in the view of most Reformers and probably a number of Liberals and some of the members from the Bloc, certainly many constituents have expressed to us that it is just not good enough. Is it not then regrettable that we have an inability to actually represent that?

The member for Notre–Dame–de–Grâce has made the news because he has had the courage to stand up against the government's policy on the budget and is voting against it. He is voting against it for completely opposite reasons from where I am coming from, but he believes that he is representing his constituents. That puts a finger right on the problem. The person who says this budget is not good enough ought not to be making news. He should be simply applauded because he is in the majority.

I do not often dream at night because I have late nights and early mornings here, as we all do, and usually when I hit the pillow I am unconscious, but I had a little dream last night. This is a fictitious dream, because I do not want to tell a lie.

I dreamed that in the House we actually had individually the freedom to vote on the budget as we really believed. I wonder what proportion of the members in the governing party would, if there were absolutely no ramifications to their decision, honestly express themselves and actually say: "No, this budget is not quite good enough". I really wish that members could have that freedom in the House. If they did, with that would come a mechanism which would force the bureaucrats, those who drive the agenda here in Ottawa, to go back and say: "Look, we need to do some more cutting. We can be more efficient. We can save money".

Members of my party have identified many areas where there is rampant wastage. It is not attributable to the government now. It is just the way it has always been done. The government, with its majority, have it in its power to fix it if it would only have the courage. I wish it would. Perhaps my dream will come true. Perhaps tonight there will be sufficient numbers of the governing party that will say: "I will stand on principle and I am going to vote the way I really believe".

• (1655)

I will respect those people who vote in favour of the budget if they honestly, truly believe that this is the best way to manage the fiscal affairs of the country. I have no problem if they vote in favour of the budget because of that honest and sincere belief.

I have a tremendous problem with people who believe that it is not good enough but who do not have the freedom to so express themselves. To me that is an aberration of the democratic process and is the root cause of the huge debt, the deficit, the huge interest payments, payments of $40 billion plus per year. These payments would be more than adequate to provide a wonderful health care system, to subsidize adequately the post–secondary education and give Canadians the ability to invest in the future of our country and in the future of these young Canadians.

It is a missed opportunity. Let us blame the past. Let us say that it was the governments of the past that did this to us. That is fine. It does not really matter who did it. As it says in the good book, the borrower is a slave to the lender and we have become slaves to the national debt. The member for Willowdale who just spoke pointed out very clearly—he did not use the word obscenity, but I will use it—the obscenity of the fact that $1 in $3 is used for paying the interest on the debt. I really wish we did not have that.

The politicians of the last 30 years, which is before most of us were here, so arranged the affairs of the country that we now have the problem and we have to deal with it.

I sincerely hope that my little three–year old grandson can some day say: "My grandpa when he stood in the House of Commons was able to persuade members on the government side to have courage and he thereby helped to save this country from going even deeper and deeper into debt".

We would set a tremendous precedent if this happens tonight. If enough members of the House of Commons would have the courage to vote against the budget I believe it would be the first time that it would have ever happened. It would be headline news tomorrow. It would say we finally have in Ottawa a group of people who stand on principle, who do what is right.

The government has failed to attack the problem of government spending. Instead it has replaced that by adding additional revenues. I am very much offended by measures like the rescinding of the Public Utilities Income Tax Transfer Act. I believe it is very unfair.

This is a country where we believe in free enterprise, where we know that business has built this country. It is extremely unfair to think of two Canadians standing side by side, one of them buying natural gas or electricity from a utility that is owned by a government and another buying utilities from a privately owned firm. Because one of these Canadians buys utilities from a government owned organization he or she pays no income tax but the other one pays income tax. To me that is unfair.

Members can stand up and try to defend that. I do not want to sound just like a person whining about my region. That is not the total picture. We need to look at all of Canada. I submit very seriously that if it is good for one province, it is good for the country. We need to seriously ask ourselves the question whether such an inequitable tax is good for the country because it differentiates between Canadians based on their situations.

• (1700)

I have appreciated the opportunity to speak on this matter. I would be delighted to respond to any questions members have.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member used some words that seemed a little contradictory. In one instance he was admonishing the members to vote the way they believe, yet depending on some other questions, the member is admonishing members to vote along with their constituents. I simply raise this contradiction. If the member really believed that, then he along with at least the other three Reform Party members who are supporting gun control would also represent their constituents and vote for gun control.

The Reform Party took the liberty to produce a pro forma budget to put on the table what its plans would be. As we all know, they were basically to trash social programs and particularly to tax seniors. In the hypothetical situation that the Reform Party did form a government and did have that budget, would the member admit here and now that the Reform Party would have to borrow at least $100 billion before the deficit would be reduced to zero over the term of the mandate?

Mr. Epp: Madam Speaker, I appreciate the opportunity to respond to what is indeed a very good question.

The hon. member used the word that our prebudget suggested trashing the social programs. Those were the words he used. There is a huge difference between trashing something and replacing it with something better. There is a huge difference between breaking down a house and leaving a hole in the ground and breaking down an old house in order to make room to build a new and better one.

If we were to analyse what the Reform Party is proposing for social programs, it is proposing a better system. We believe in individualizing social security so as to do away with all of the problems which arise when UIC and social security are competing.

The poor person on UIC or social security has to refuse a job at $8 an hour because if he or she makes a little money in effect they are taxed 100 per cent on it. There is a tremendous disincentive to taking a part time job because of the loss of benefits. If that were individualized according to our plan, then the individual could take a part time job, supplement their income and use their personal retirement and their personal security plan only as needed to top up in order to meet the needs of the day.

If the member would like to take the time to do the arithmetic on it, I would be pleased to sit down and help him with this. If he were to do the actuarial math on how the money grows, if he were to look at the employer's and employee's contributions he would see how they grow. He would see how quickly the total benefits substantially exceed what can be given through a bureaucratically driven and inefficient UIC program. Perhaps then the member would have a different view of what it means to replace a social assistance program that is not working with one that is logical and defensible.

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Madam Speaker, I feel constrained to rise because of the comments of the hon. member opposite about this wise and logical social program for Canada that his party is suggesting.

• (1705)

I would suggest to the hon. member that the program the Reform Party seems to be proposing is a program that would work for the rich and not for the underprivileged or for people who just need a leg up in our country. It is a program intended to put more money in the pockets of people like the hon. member, people who have an upper middle class income and is not a program to support the people who need our assistance.

There is another interpretation for the fact that Liberals are voting together on the budget. As Liberals, unlike members of his party, we have the same common goals. We have the same common core set of beliefs and we do agree on this issue.

Mr. Epp: Madam Speaker, I appreciate this question and would like to answer it by asking another question.

A good economic system will benefit all Canadians. If we look at the history of the industrial world going back over the last 150 or 200 years, there have been some very rich people. It is also true when there are some rich people that it generally provides many good jobs and a good livelihood for a lot of people.

What is better, for everybody to be taxed to death and we try to help a few people with handouts, or to allow those with good leadership abilities, good business skills to set up an economic environment in which they could thrive? Maybe they would do fairly well and perhaps the people in the neighbourhood who had been on UI and social welfare and were making $12,000 a year could now have jobs with the new firm at $30,000 a year. That happens. If we look at history, that is the way the economy works.

When businesses are excessively taxed there is the exodus which has been experienced and observed in Ontario. Excessive taxation and a bad economic climate are not a promotion of business. Ultimately everybody, not just the rich, but the working class as well suffers more than they would under the other regime.

At the same time we need to be very careful here. Over and over I hear Liberals saying that we are a compassionate society. I believe that too. I believe in individually helping people who need help. If that is really true and a government system is taken away, we can count on individuals and organizations moving in to fill the gap and they will do it more efficiently.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, I carefully listened to the speech made by the member from the Reform Party. He talked abundantly about the debt. He used good images to explain it, especially when he used the family as an example.

I realize today that no matter what the debt is and no matter what the cuts are, the debt will go up anyway. My friends from the Reform Party very often say that we are going to hit the wall, which is what I think also.

My friend says that the situation is urgent, that we have to move rapidly and find a solution to the problem because water is getting into the ship. At the same time, my friend tells us that he has dreams and wishes, but the dreams and wishes will not lead to a solution. It does not matter what solutions we bring here, if they are not accepted by the government, they mean nothing.

Does my friend have the sensation sometimes that he is doomed to paint the ship while the ship is sinking?

Mr. Epp: Madam Speaker, it definitely does seem sometimes that the ship is going down, but I am not totally pessimistic. I believe there is a window of opportunity. That is why I am so sincerely urging that government members set a precedent today. Defeat the budget in order to force it to take more dramatic measures to balance it quickly so that the ship does not go down. My dream is for the individuals to do that based on their own conscience.

• (1710)

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Madam Speaker, it is a pleasure to speak in the twilight moments of the debate on Bill C–76. If I may say, the House is in a mood of detente and relaxation which it is not always in. I have appreciated the comments made on both sides of the House in the last hour or so.

Bill C–76 represents a translation of the undertakings made by the government when it was elected and basically its program that it would conquer the deficit, reduce the national debt by a dynamic program of creating new jobs, generating new revenues. This is essentially the thrust of the budget.

Members will notice the attention to prudent economies, the cutting of government operations, new approaches to federalism and federal–provincial relations. At the same time there is a redefinition because it inevitably follows in the federal–provincial balance.

I think this was the basic promise made by the Prime Minister and it is reflected in the budget, that in approaching the economic crisis our emphasis would be on job creation.

We have also undertaken to maintain the integrity of the social services structure, in particular medicare; to maintain the Canada pension plan, the social security structure that distinguishes Canada from the United States and other countries committed to the free market economy; and interesting and new approaches to unemployment insurance. We are getting away from the static approach intended to present a situation of continuing dependency by a new emphasis on job training and a new emphasis on training people for a better future and giving them some confidence in their ability to achieve that.

Last, in the area of federalism the approach to federal–provincial transfers in some senses redresses a balance in federalism that had occurred by glosses on the system established by the federal government entering what we could say in retrospect, were areas of provincial constitutional responsibility. There the argument was and it was a necessary one, that if the federal government had not moved in these areas the provinces would not have moved either and there would have been a vacuum in terms of important areas of social policy.

I will have something more to say on each of these particular issues at a later moment.

I do note that Bill C–76 will implement a savings of $29 billion over the next three years: $5 billion in 1995–96; $10.6 billion in 1996–97; and $13.3 billion in 1998. We think this is a responsible, realistic way to go. It sets out a program. A budget not less than any other type of law is itself a system of law in the making. It is a dynamic system and we build upon the achievements of one year in the next year. We have set up those goals on the basis of a three year period.

I think this is a very important part of the government economic structure. We have honoured the undertaking of no increases in personal income tax rates. We are closing the tax loopholes and we look for continuing guidance from Parliament and members on that. We are trying to improve tax fairness. That is an objective. At the same time the incentive to get the economy moving again will be to avoid increases in personal income tax rates. I mention in social services the maintenance of the integrity of the pension system because this has been a very important part of retirement planning for senior citizens and

others approaching that condition. That is maintained and it is very important in terms of—

• (1715)

The Acting Speaker (Mrs. Maheu): I regret to interrupt the hon. member.

Pursuant to order made Monday, June 5, 1995, in accordance with Standing Order 78(3), it is my duty to interrupt the proceedings and put all the questions necessary to dispose of the third reading stage of the bill now before the House.

Mr. Taylor: Madam Speaker, I rise on a point of order. Correct me if I am wrong, but I was under the impression that government orders were extended by some 12 minutes because of a ministerial statement made earlier in the day. I am wondering if perhaps we are not ahead of ourselves here.

The Acting Speaker (Mrs. Maheu): The clerk tells me that you are indeed right.

The hon. member may continue. Government orders have been extended by 12 minutes.

Mr. McWhinney: Madam Speaker, I thank the hon. member for that very graceful reprieve, if I may call it that. It gives me an opportunity to continue the dialogue. I think I can pick up from the middle of the sentence if I can recall the beginning of the sentence. Here it is, in any case.

We have tried to emphasize a policy of fairness to all regions, which brings me into the area of federal–provincial powers. One of the great dilemmas in establishing the new system of transfers to provinces is you are recognizing that these are areas, constitutionally, of provincial responsibility. They are in essence moving back. One is in effect cutting through the gloss of custom that has been established over the last 20 or 30 years. In fact the general feeling in Canadian political circles is that if the federal government had not acted the provinces would not have either and this was the reason for the federal initiative. If the power returns effectively to the provinces, it will be done through the system of the block transfer, the new Canadian social transfer.

Some statistics are relevant and important. The average cut to the provinces in terms of transfers will be 4.4 per cent, which is less than the 7.3 per cent the federal government is imposing on its own programs, and there is a period of two years' notice built into that, which becomes very important in areas such as education, where planning far ahead is very important to individuals entering the structure, not merely to administrations.

One issue raised here is the ability to maintain national standards. Can it be done solely on a matter of reliance on the good faith of individual governments? Will there not be somebody out of step? I think this is a matter on which we are still waiting for the work the minister of intergovernmental affairs is doing, but let me say that I think there is no doubt that constitutionally in certain areas we still have the power to impose and enforce the national standards. Enforcement, as such, is an ineffective system of social control. "Friendly persuasion" and "example" are the bywords. I think in this particular area we will find a large and increasing degree of federal–provincial co–operation because of what are, after all, the common goals.

I was examining on the weekend, in the constituency of one of my colleagues, in Richmond, the area of intergovernmental co–operation, not merely federal–provincial but federal, provincial, and municipal. The process of co–operation can work. It is not our belief, in any case, in contrast to prognostication of gloom and doom, that in making the block transfers to the provinces the national standards will disappear and we will get an anarchic system of different standards such as Voltare described with the situation of the French civil laws. As he said when he left Paris, every time he changed his horse he would be under a different system. I do not think we are dealing with that.

• (1720)

Our message on this is that the status quo of the federal–provincial arrangements, the practice that had grown up over the last 30 years, was bound to come to an end as provinces accepted their own obligations of maintaining common standards throughout the country and not falling behind. Here the finances are related directly to the power and there is the two–year building in period in which federal and provincial governments can work out and eliminate any contradictions.

There in essence is the budget. It is best to finish on the general philosophical note that it does reflect the promise the Prime Minister made during the election and it would not be a negative, give it up approach to eliminating the deficit. We would expand the economy and would generate new revenue by creating new jobs. The budget cannot be divorced from our work in manpower. It cannot be divorced from other activity in other departments directed toward this goal, and it does rest on a large degree of faith in the ability to manage federal–provincial relations in a renewed spirit of co–operative federalism.

I think this is one of the keynotes of the present government, that it is reviving attitudes of co–operative federalism that for various reasons and for various attitudes of political parties have been dormant for some years.

On this basis, I am happy to commend Bill C–76 to the House for adoption.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, I appreciate the hon. member's remarks, but I must take him up on the fact that the day after the Reform Party issued its alternative budget we were together on a radio program in Vancouver, at which point he hammered me because in that budget we had similarly proposed the maintenance of standards through co–operative agreements among provinces. This is very

consistent with Reform Party policy that we should have less power at the centre.

I will never forget the hon. member saying that as an expert in constitutional law he would tell me that it will not be possible for the central government to either create or enforce such arrangements because there is no leverage. I am now very pleasantly surprised to hear that he has come around to the policy the Reform Party had pronounced before this budget came out and which he now feels is doable.

I have a practical question for him. Even though the Reform Party says that it would support this kind of an effort, does the hon. member really believe that a maverick province like Alberta would slow down its efforts to privatize and rationalize medicare by for example allowing more of the services to be provided by the private sector? Does he believe he could get from Alberta agreement of the nature he thinks is necessary if even at the present time, when there is a threat of withholding funds, this province, according to the minister, apparently is doing all those nasty things?

Mr. McWhinney: Madam Speaker, it is a pleasure to respond to the learned hon. member. He has, in spite of his dour mien, a delightful sense of humour for those who know him very well.

I do recollect this debate conducted at a distance of 3,000 miles with bad telephone connections. I feel his telephone connection was not as perfect as mine on this. When he presented his shadow budget I did suggest to him that perhaps he had not paid enough attention to structural problems of government, that he had to spell it out.

• (1725)

By the way, I should never be as egotistical as to suggest in a public debate or elsewhere that I was an expert in this or in anything else. The hon. member will remember Lord Justice Denning's reply to somebody who quoted to him somebody and said "This is an expert". Lord Justice Denning replied "Is he dead?" The answer was "No, milord, he is among the living". Lord Justice Denning said "Well he is not an expert. The only expert accepted by the common law is somebody who has been dead for 20 years." This status will undoubtedly occur to the hon. member at a certain period in his career.

What I did try to suggest was that he needed more work on examining the unstructured approach to co–operative arrangements between the federal government and the provinces he was presenting. I think the hon. member will recognize that there are gaps in his armour. I know he is an expert on the South Seas, on skiing, and on very many things, and I respect his knowledge of economics. However, on this thing I did suggest that the Reform Party program was rather light.

To return again to his basic question, I think it is a matter of changes in attitude. The attitude of federal–provincial relations is different from what it was 20 or 30 years ago. One sees the arrangements in the province of Quebec, a province where the government is committed to a program of separation from Canada. But if we look at the structure of administrative arrangements developing between the two governments, there is a good deal of solid empiricism in that. I would predict that the Premier of Alberta will also recognize the advantages of co–operation.

We have no objection in this government to privatization. In fact if one examines the budget there is great emphasis on privatization. Getting rid of the CNR is something the hon. member himself has proposed in the past. If one in looks at it, we are very much into privatization too. However, in the examination of national standards, we will use friendly persuasion to ensure co–operative—

[*Translation*]

The Acting Speaker (Mrs. Maheu): In accordance with the order made Monday, June 5, 1995, and pursuant to Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of third reading of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 243)

YEAS

Members

Adams	Alcock
Anderson	Arseneault
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Beaumier	Bellemare
Bernier (Beauce)	Bertrand

Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Bélanger
Campbell
Catterall
Chan
Cohen
Copps
Crawford
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Finestone
Flis
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gerrard
Goodale
Gray (Windsor West)
Harb
Harvard
Hopkins
Irwin
Jordan
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McKinnon
McTeague
Mifflin
Minna
Murphy
Nault
O'Brien
Ouellet
Paradis
Patry
Peters
Phinney
Pillitteri
Reed
Richardson
Robillard
Rompkey
Serré
Sheridan
Speller
Steckle
Szabo
Thalheimer
Torsney
Valeri
Walker
Whelan
Zed—141

Bhaduria
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Chamberlain
Clancy
Collins
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finlay
Gagliano
Gallaway
Godfrey
Graham
Guarnieri
Harper (Churchill)
Hickey
Ianno
Jackson
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacAulay
Malhi
Manley
Marleau
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
Nunziata
O'Reilly
Pagtakhan
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
St. Denis
Stewart (Brant)
Terrana
Tobin
Ur
Vanclief
Wappel
Wood

NAYS

Members

Abbott
Allmand
Benoit
Blaikie
Breitkreuz (Yellowhead)
Bridgman
Brown (Calgary Southeast)

Ablonczy
Althouse
Bergeron
Bouchard
Breitkreuz (Yorkton—Melville)
Brien
Canuel

Caron
Crête
Daviault
de Jong
Dubé
Dumas
Epp
Frazer
Gauthier (Roberval)
Grey (Beaver River)
Guimond
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Jacob
Kerpan
Landry
Laurin
Lebel
Manning
Mercier
Mills (Red Deer)
Nunez
Penson
Pomerleau
Riis
Rocheleau
Schmidt
Silye
Solomon
St–Laurent
Taylor
Tremblay (Rimouski—Témiscouata)
Wayne
Williams—85

Chrétien (Frontenac)
Dalphond–Guiral
Debien
Deshaies
Duceppe
Duncan
Fillion
Gagnon (Québec)
Gilmour
Grubel
Hanger
Harper (Calgary West)
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Loubier
Marchand
Meredith
Morrison
Paré
Plamondon
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
Speaker
Strahl
Thompson
Tremblay (Rosemont)
White (Fraser Valley West)

PAIRED—MEMBERS

Asselin
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Cauchon
Fry
Godin
Hubbard
Leroux (Richmond—Wolfe)
MacDonald
McGuire
Payne
Robichaud
Stewart (Northumberland)
Wells

Bachand
Bernier (Gaspé)
Bélisle
Dhaliwal
Gaffney
Guay
Lefebvre
Leroux (Shefford)
Maheu
Ménard
Picard (Drummond)
Skoke
Verran
de Savoye

● (1755)

[*English*]

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

The Speaker: The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CRIMINAL CODE

Mrs. Christiane Gagnon (Québec, BQ) moved that Bill C–277, an act to amend the Criminal Code (genital mutilation of female persons), be read the second time and referred to a committee.

She said: Mr. Speaker, my heart is filled with emotion as I open debate today on Bill C–277, an act to amend the Criminal Code (genital mutilation of female persons). It is filled with emotion because this bill deals with a cruel practice to which millions of women are subjected in the name of a so–called cultural value.

What I am trying to do today is help prevent mutilation of female genitals at least in Canada and Quebec. My heart is also filled with emotion because I realize that I am speaking for a great many women who will never get to speak publicly. I am referring to the victims of this practice.

Finally, I will be delivering my speech with great respect, respect for immigrant women, foreign cultures and ethnic communities. This respect should underlie every word spoken on the subject of traditions, for traditions are part of every human being's make–up and respect for human beings is what my bill is all about.

The purpose of this bill is twofold: to deter and protect; to protect innocent victims, and deter any would–be offender. That is why the bill has two parts: criminalization of the act per se, and punishment for anyone involved.

Moving to the heart of the matter, allow me to set the problem in context by briefly recapitulating the facts and figures regarding genital mutilation of female persons, then summarizing arguments in favour of such practice and, finally, setting this practice in the Canadian sociopolitical context.

First, the facts. To give a better idea of what genital mutilation means, let me describe briefly the three different operations currently performed. The first one is circumcision, or sunna, in which the tip of the clitoris is removed. The second is called extended circumcision, and involves the complete excision of the clitoris or partial excision of the labia minora and labia majora and the stitching of the genitals except for a small meatus. As for infibulation, it is similar to extended circumcision, with the added feature of suturing with a product supposed to fasten the wound.

Depending on the country, the act is performed by a barber, a midwife, an elder, or a health professional. It is estimated that there are currently between 80 and 120 million excised women and young girls, mainly in Africa, the Middle East and Asia.

In October 1994, *La Presse* reported that 6,000 girls between the ages of 7 and 22 are excised everyday. Six thousand per day, Madam Speaker. This is a situation of concern to me and I hope that it will be of concern to other members as well. On May 22, the international press reported the case of a ten–year old Egyptian girl who died after being excised; her 12–year old sister was admitted to hospital in serious condition.

Having heard the technical description of the operation, we can easily imagine the serious effects it must have on the women on whom it is performed. Here are a few among those on record: haemorrhaging, infections, obstetrical complications, cysto–vaginal or rectovaginal fistula, cysts, violent pain, impaired sexual response, psychological disorders, and death.

• (1805)

In addition to this long list of possible consequences, there is another specific problem affecting excised women who immigrate to Canada. When these women realize that they are "different", they may experience problems in their social and love lives. For example, during a medical consultation with female practitioners who were not aware of that practice, a social worker helping immigrants told of many mutilated fiancees or wives who were abandoned by their partners after these men had sexual relations with women who had not been excised. Imagine the double trauma experienced by these women who are mutilated and then abandoned, which is of course contrary to the expectations generated by their traditional family environment.

Because this operation is still common in many regions of the world, there are many explanations justifying it. Some are more esoteric than others, but all are objectively wrong. I will mention a few of the more surprising ones, without commenting.

Childbirth is easier for the excised woman. Female genital organs produce smelly and unsanitary secretions. Male circumcision is done for aesthetic reasons; consequently, women should undergo a similar type of operation. The clitoris could kill a first child, especially if the child's head touches it during delivery. Women whose clitoris is intact become nymphomaniacs. The clitoris generates too much excitement for the man. Virginity is preserved. Fertility increases, since female genital secretions kill sperm.

Those are the arguments most often used to justify these types of genital mutilation. I want to point out that, contrary to popular belief, no religion prescribes genital mutilation of female persons.

Although genital mutilation may seem a problem occurring far away from us, according to some witnesses, it happens here, in Canada and in Quebec. Since our society is open to immigrants, this tradition that goes against our values has unfortunately been imported along with other values more similar to ours.

Between 1986 and 1991, Canada has accepted 40,000 immigrants from countries where mutilation is an accepted fact of life. In 1992 alone, 3,245 persons from countries where genital mutilation is tolerated or encouraged have settled in Canada.

As I said earlier, we have been told that little girls are subject to genital mutilation here, in our country. These last few years, health professionals and people working with some cultural communities have been able to confirm this situation. It is hard to put a figure to such a taboo. However, physicians have reported being asked by parents to perform mutilation on their young daughters. Other physicians have had to operate on children to repair the damage caused by such mutilations.

Social workers have been in contact with victims or families of victims who have told them about this practice. Recently, in May 1994, the director of the Ottawa African Resource Centre stated that many African immigrants manage to subject their daughters to mutilation in Canada, despite a directive to the contrary from the College of Physicians of Ontario. He said that families were sending their daughters overseas to be mutilated. We know that several Canadian physicians have been asked to perform genital mutilation. He adds that the fears publicly expressed by a Somalian woman were founded, since the African community checks whether the girls have undergone this operation.

This is a serious issue that calls for action in the name of the moral and human values we share. One of the reasons why no action has been taken against this practice may be the Canadian multiculturalism policy, which has been rejected by Quebec and is highly controversial in English Canada and also among the Liberal members themselves. Some people attribute the lack of legal action to the confusion experienced by social workers, community stakeholders and the police. Others feel that they should respect the traditions of the various groups now living in Canada, since all cultures are equal, whatever their customs.

In the current multiculturalism context, more than a few people are paralyzed by the fear of being labelled as ethnocentric or racist.

• (1810)

Moreover, it would appear that this uncertainty, which is the direct result of the multiculturalism policy, is far from being removed. For example, we recently read in the daily *La Presse* that, because of this policy, Canada was identified by the world Islamic movement as an ideal place for Muslim immigrants to be exempt from the application of civil laws and instead be subjected to the sharia which, as you know, does not respect at all the principle of equality between men and women.

When you read things like that, the feeling of helplessness of social and community stakeholders comes as no surprise. In fact, these workers might be reluctant to sue members of immigrant families perpetuating the practice of female genital mutilation.

We talked about the Multiculturalism Act. Let us now take a look at the overall legislative framework related to genital mutilation. This is an important issue, because the Minister of Justice refuses to amend the legislation. Currently, there is no legislative provision which expressly prohibits that practice.

However, as the Minister of Justice pointed out, proceedings could be instituted under some sections of the Criminal Code which relate to assault and bodily harm. It should also be mentioned that this practice violates the provincial acts protecting children, various charters of rights and freedoms and international agreements.

Our bill would complement the existing legislation by reinforcing it. As I said at the beginning, the bill is twofold. By adding another provision to the section dealing with dangerous bodily harm, we would officially recognize that this practice is harmful and dangerous to the individual. Also, the operation itself would be criminalized, and a penalty is provided for those directly or indirectly involved in the procedure.

To include that clause in the Criminal Code would leave no doubt as to the legal status of the practice. It would become a criminal act carrying a term of up to five years imprisonment. The members of cultural communities which promote this practice will immediately be informed and warned officially that in our country, genital mutilations are considered mutilations, not just a tradition. There is no reason for us to hesitate about adding a section to the Criminal Code regarding this issue.

In fact, the Code already contains sections prohibiting acts which are foreign to our culture and no one ever formally complained. I cite as examples sections 290 and 293 which prohibit bigamy and polygamy. In my humble opinion, these acts are much less harmful to the health of women, yet they have already found their place in the Code. This refutes, I believe, the minister's argument that we should not unduly encumber the Criminal Code.

Another reason the Minister of Justice says there is no need to act is that charges can already be laid under existing sections in the Code. Theoretically, the minister is correct. However, for the reasons invoked to explain why to this day no lawsuits have been filed, in particular those I mentioned earlier, I am of the opposite opinion and I firmly believe that we must adopt a very precise section which unequivocally sets out the nature of the prohibited act and prohibits participation in such an act.

In addition to this need for judicial precision, adopting a bill would meet another need which the government rarely addresses: defining the social policy of multiculturalism. We must bear in mind that the act is not just applied and interpreted in this House, but well beyond it. Acts are written for the whole public, and the public is feeling the concrete effects of this problem. We have this problem precisely because of the big fuss that our

governments have made over the wonderful multiculturalism policy.

• (1815)

To correct this problem we must formally define the limits of government policy by clearly stating which cultural practices are not acceptable and are against the principles of our society.

Finally, the Minister of Justice believes it is preferable to concentrate on educating immigrant communities instead of introducing special legislation. I agree with the minister that public awareness campaigns and educating the public are important. They have their place in this case as they did when Parliament passed legislation on drunk driving. Members will recall the massive advertising campaign that accompanied these amendments to the legislation. The government did a good job.

Why could it not repeat the exercise, this time to prevent genital mutilation? Why not pass Bill C–277 and at the same time organize a public awareness campaign targeted to health care and social workers and immigrants from countries where mutilation is practised?

Canada would not be the first country to adopt specific measures in this respect. Other countries like Great Britain, Sweden, the Netherlands, Switzerland, Italy and one Australian state have already done so. Two American states are considering similar action. Like Canada, these countries are host countries that have to deal with cultural practices that differ from theirs and are against their principles. They have responded to this challenge.

Before I finish, I would like to mention the many instances of support for legislation against genital mutilation. First I would like to mention the now defunct Canadian Advisory Council on the Status of Women which in March 1994 published a detailed study on the problem in Canada and firmly recommended adopting such measures. There is also the resolution passed by the international conference on population development, which I attended, and the Canadian Council on Refugees; also the resolution passed by the International Federation of Obstetricians and Gynaecologists and by the Canadian Federation of Business and Professional Women's Clubs.

The following organizations have also spoken out in favour of legislation: the Association of Country Women of the World, the Commission des droits de la personne du Québec, the Quebec Minister of Justice, the Conseil multiculturel des femmes professionnelles, the Service d'information en contraception et sexualité du Québec, the Cercle des fermières du Québec, Violence Info, the Ukrainian Canadian Civil Rights Associaton, the Mouvement des femmes chrétiennes, Quest for the Eradication of Female Genital Mutilation and the Réseau des femmes noires francophones de Toronto. When the minister declares in the House that groups concerned do not support the legislation, I really wonder where he got his information.

Here is one example. In her letter of support for my bill, Janis Burgaski, the chair of the Conseil multiculturel des femmes professionelles wrote the following: "We have come to realize that not all traditions are to be encouraged and that some are even cruel and undesirable. From having spent time in certain communities and being of the same sex, we discover that stories we considered part of the past are still true today. Under the circumstances, we believe the bill is a step in the right direction. Women oppose this type of abuse".

The Liberal Party has promised to make up time lost in the area of health and women. This government prides itself on being one of the most ardent defenders of the rights of women on the international scene. In September, it will proudly send a delegation to the conference in Beijing. I invite it to use the opportunity to announce that it has put words into action and has adopted legislation making it a criminal offence to mutilate women's genitals, as other countries have done.

I would also invite the Minister of Justice to take time to reflect. For the past several months, he has been working to criminalize certain behaviour involving the possession and use of firearms in order to protect the public and resolve certain problems. Why would he not do the same thing in another area, that of genital mutilation?

I would also invite the members of this House to support my bill and thus reaffirm women's right to bodily security. We have a responsibility to all women, regardless of where they come from or their culture of origin. In choosing a country, women should be assured that they will find there the protection to which they are entitled. This is the intent of my bill.

• (1820)

[*English*]

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Madam Speaker, I commend the hon. member on her initiative in bringing forward the motion today. This is an issue like many horrors that is easily ignored, an issue we must face and about which I feel very strongly.

This is not an issue, however, that the government has ignored. The hon. Minister of Justice assured me in discussions we have had that it has been on the agenda for approximately one year, that he has taken the time to meet with members of cultural groups and to meet with women in Canada concerned about the particular issue, and that he has studied it carefully. He also indicated to me and to members of my caucus that he will

continue to listen on the subject. That is obviously witnessed by the fact that he is present for the debate today.

In 1991 by a unique set of circumstances I made the acquaintance of a young professional couple who was fleeing an extremely oppressive situation in a north African country. I will talk a bit about them and about my indirect personal experience with this terrible subject matter.

These people were secular Muslims. They were persecuted by a fundamentalist regime for expressing their more moderate views and for associating with persons who shared those moderate views. I am straining here not to invade their privacy and I am of necessity therefore being vague about details of their professions, nationalities and other identifying features.

In any event, I am happy to say the Canadian immigration system worked. It delivered for this couple. They became refugees and then immigrants. Now they are citizens living and working in the freedom of our great country. They became friends of our family and particular friends of my daughter who is the same age as the young woman.

Shortly after achieving refugee status they came to see me. The woman needed to consult a doctor because she wanted to have children and she needed advice. She had been the victim at the age of 12 of female genital mutilation. Her clitoris had been crudely removed, her labia minora excised and her labia majora incised to create raw surfaces so they could be stitched together forming a cover of skin and scar over the vagina. There is in this type of mutilation a small opening left to allow for urination, for menstruation and for the pleasure of the man who would ultimately become her husband.

Like most Canadians I had never been confronted with it before although I knew about it. We were able to find a surgeon who was of assistance and who performed a procedure that gave some relief and ultimately allowed my friend to more comfortably perform bodily functions and happily to bear two gorgeous children who are Canadian citizens. One of them was a Canadian before her parents were.

I was struck then and I remain struck now by the image of this beautiful young woman, the same age as my daughter, intelligent, alive, youthful and because of our system politically free.

Even with what we have done for her we can never put things back the way they should be. She can never, ever enjoy sexual relations with her husband. She bears scars and will suffer physical side effects for the rest of her life. She will have pain both physical and spiritual that we can only imagine. She will bear this pain stoically, with dignity, and thankfully with the support of her husband. She bears the terrible memory of the mutilation act, of the midwife with a razor, of no anesthesia, of her mother and others holding her down, of the blood, the pain, the fear, the convalescence, and to what end? The end to be served was that of her own oppression.

They mutilate women, damage them. In this rite women are treated like chattel, like livestock. They exist to be used for labour, to bear sons and for sexual gratification that they cannot share. They mutilate them so they will be faithful, so they will not enjoy sex, so they will not run away, so someone else will not take them. It is done in the name of manhood, in the name of God or religion, in the name of the preservation of a way of life and in the name of a culture; but nothing comparable is done in these cultures to men.

• (1825)

I believe passionately in the diversity of this country; in the right of Canadians and of people who come here to display their religions, their cultures and their ethnic origins; in the equality of the sexes; and in respect for religious and cultural practices of others.

I believe religious headgear like the keppah, the turban and the Muslim veil should be accepted by Canadians in our everyday life. I believe we should be colour blind in our policies. I believe in employment equity.

As much as I believe in all these things, I also believe that practices like female genital mutilation cannot and must not be tolerated in Canada. Throughout the world between 85 million and 115 million girls and women have suffered this tragedy. Its defenders say, quite incredibly to me, that it is a right of passage like ear piercing or the male right of circumcision. The mutilation of female genitalia cannot be compared to these other minor procedures. It has no purpose but to suppress.

I do not want to impose my views unilaterally on foreign lands or cultures, but I believe that we can and must come to grips with this practice within our own borders.

I know and I accept the assurances of legal experts that female genital mutilation is covered by the more general sections of the Criminal Code concerning assault. However, as a woman, as a mother, as a sister, as a daughter and as a citizen of the global village, I do not think that is good enough.

I urge the government and all members of the House to take the extra step to help to educate others, to help to educate across the world and to educate within our borders so that people understand that if they participate in the act of female genital mutilation we believe it is wrong. If it takes an amendment to the Criminal Code in the final analysis after we have studied it, after it has perhaps gone to committee and after we have looked at all factors, I will rise in the House and support it.

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, it is with respect that I rise to speak to Bill C–277 presented by my colleague for Quebec.

I will read the bill as she has presented it to bring the impact once again of the horrible mutilation to the public view. The amendment will include:

> A person who
>
> (a) excises or otherwise mutilates, in whole or in part, the labia majora, labia minora or clitoris of a female person; or
>
> (b) aids, abets, counsels or procures the performance by another person of any of the acts described in paragraph (a),
>
> is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

In 1992 the Ontario College of Physicians and Surgeons expressed concern over a rise in the number of requests for infibulations, which is the cutting off a young girl's genital parts including the clitoris and the subsequent sewing together of the opening leaving room for only urination and menstruation. We are addressing the issue today because the increase is reason for concern.

Canada has been cited by the World Health Organization as being one of 40 countries involved in the practice of what has euphemistically become known as female circumcision but is more correctly referred to as female genital mutilation or FGM.

FGM causes any number of both short and long term problems including excruciating pain; hemorrhaging; occasional death; exceptionally high rates of infections to the urinary tract, bladder, reproductive organs and bowel; menstrual and pregnancy problems; anaemia and disfiguring cysts which not only reduce or eliminate sexual pleasure but often result in extreme pain during intercourse and can even prohibit it.

Unlike male circumcision there is no dispute within the medical community as to the benefits versus the harm of female genital mutilation. The medical community judges FGM to have no benefits and is harmful in many ways with both the short and long term implications already cited.

Charles Kyazze, head of Ottawa's African Resource Centre, believes that FGM is being performed primarily by members of African communities where it is accepted and perpetuated as a legitimate cultural practice. It is also being performed in hospitals by doctors who argue that if they were not performing the procedure in a controlled environment, the child would be exposed to a much higher risk of infection and would suffer much more pain during and after the procedure. In some cases, Kyazze says, families are sending their children to Africa for the procedure.

• (1830)

That Canada has been recognized as a state in which this procedure is practised, in private homes as well as in hospitals, validates our argument to codify female genital mutilation in Canadian legislation.

Christine Hodges cited recently in the *Globe and Mail* the story of a Chadean woman who, reluctant to have her daughter suffer the procedure and despite pressures from her mother and grandmother to have it done, had decided not to have the procedure performed on her children. However, because her daughters became so distraught and unhappy at being singled out as different because they were the only women in their cultural community not to be so altered, she agreed.

She chose the least mutilating of the procedures which would not carry with it the high risk of infection and would not result in the inability to have normal pleasurable intercourse. Despite her western ideas about the procedure, she recognized that her daughters had to live in this cultural context, remaining supported by the community and sharing many of the same beliefs. As appalled as Ms. Hodges was at the idea and action of FGM, she had a better understanding of the motivation behind it as it was presented within the context of the community in which it was practised.

The point of this story is not that culture and ideas of what is right and wrong are relative but that within their own context cultural practices can be understood, tolerated and at times respected and admired. We certainly have no power as a nation to impose our own ideas and beliefs on other nations. We may voice our displeasure, concern or even contempt but we cannot expect another nation to abide by our laws and practices on their own soil any more than someone coming from another nation should expect to impose their laws and practices on Canadian soil.

When a cultural action is taken from its original context and placed in our own, it is therefore our obligation to examine it and rightly judge whether it conforms to Canadian social and cultural norms.

I may not wish to judge FGM as an action that is inappropriate in Africa, but I do condemn it as an action that is inappropriate within the context of Canadian culture. With that in mind I would like to pose the following questions with regard to not only this particular bill but how we address and judge the cultural practices of residents and citizens coming from countries with sometimes different and even conflicting beliefs and ideas.

Where do we draw the line on how much of each culture we are willing to promote? What criteria do we use to judge the appropriateness of an action of an ethnic group? If we are not able to use our own cultural and state criteria then how do we justify prosecuting some men who claim that physical abuse of their wives is a cultural thing? It is one thing to allow people to promote their own cultures, but at what cost? Do we compromise what we as Canadians hold to be worth preserving and maintaining in the name of cultural diversity and cultural tolerance?

Canadian laws and values should not be so cheap that we are willing to make compromises for the sake of not offending the sensibilities of others. That should not simply be with regard to female genital mutilation but with regard to any cultural practice that contradicts Canadian laws as well as social and civil practices.

In answer to the above questions I suggest the following: that the only criteria which we as Canadians can use with regard to the judgment of an act are the common beliefs and laws of our land. If this were not the case we should be willing to tolerate all cultural practices from FGM to the cutting off of someone's hand when he or she is caught stealing or the physical abuse of women and children because it is culturally accepted elsewhere.

One might wish to argue at this point that clearly the above acts are either directly or indirectly in violation of our laws and cannot be permissible; therefore, the point is moot. I would suggest, however, that it is inconsistent to fund and encourage some cultural practices while criminalizing others. What we are saying to new Canadians is: "We encourage you to continue to live according to the standards and beliefs of your country of origin, but only those that we find palatable".

A Somali family may wish to have its daughter's genitalia removed because in its culture such a practice meets religious standards or preserves a sense of identity to their community or it is believed to help maintain cleanliness and health or it is believed to preserve virginity and family honour and prevent immorality.

• (1835)

As Canadians do we support such views? I suggest we do not. If we continue to advance the current multicultural policies that we do, we are facilitating a platform from which practices such as FGM can be justified.

I am not trying to imply that we prevent people from promoting their culture of origin privately. It is important in life to have continuity, to know where you are from and who and what has been instrumental in shaping the person that you are and will become.

By making the promotion of foreign cultures a matter of public policy, we are essentially saying that although we have values that are Canadian they do not need to be embraced by those immigrating to Canada as they already have cultural and moral framework that we encourage they uphold.

I wish to applaud the hon. member for coming forward with the proposed bill. I applaud her not only for what the bill means for the women who are subject to what I believe to be an inhuman act but also for the implicit statement it makes about Canada's values and beliefs.

As Canadians we must be clear in our condemnation of a practice that is so mutilating. We cannot continue to stand by as the international community perceives us as a nation which tolerates such abuse.

Finally, the Reform Party suggests that the current bill as proposed does not go far enough in its condemnation of the act. We recommend amending the bill at committee in the following manner, that Bill C–277 become an addition to section 267, rather than of section 244, of the Criminal Code. The bill would then read:

> Bill C–277 is amended by adding the following after section 267:
>
> 267.1 A person who
>
> (a) excises or otherwise mutilates, in whole or in part, the labia majora, labia minora or clitoris of a female person; or
>
> (b) aids, abets, counsels or procures the performance by another person of any of the acts described in paragraph (a) is guilty of an indictable offence and liable to imprisonment for a term not exceeding 10 years.

The hon. member put forward five years. As it stands the bill will codify the act of female genital mutilation as an offence carrying a lesser charge that it might currently carry not codified. Presently a person performing the procedure in Canada could be charged under sections 267 or 268, assault causing bodily harm, but there is no codification.

I thank my hon. colleague from Quebec for having brought forward this most important piece of legislation.

Mrs. Sue Barnes (London West, Lib.): Madam Speaker, I am very glad to have the opportunity to speak to this bill.

The perpetuation of the practice of female genital mutilation, while it may be confined to certain communities, has serious implications for all Canadians. Ultimately this is an issue of human rights. As such it concerns us all and we all share the responsibility for putting a stop to it.

When I came to Parliament Hill a year and a half ago I would never have foreseen myself speaking to such an issue. Today I stand here with my blinders removed, having been made to understand in some measure the brutality of this procedure and the devastating physical and emotional impact on the victims. I have risen in the Chamber to speak out on this issue before, as I did in Copenhagen at the interparliamentary union last fall.

It is imperative that we take the strongest possible stand opposing violence in all forms against women, both in Canada and around the world. Female circumcision, as it is so euphemistically called, is the manifestation of an oppressive patriarchal philosophy. It physically mutilates girls and young women, destroying their capacity in the future to enjoy normal sexual relations in order to ensure that they reach a marriageable age in the state of virginity.

It is estimated that 80 million women around the world, 600 every day, undergo this torment, often in the most primitive and barbaric circumstances, frequently without anaesthesia or properly sterilized equipment. The pain and the loss of blood may lead to shock, permanent injury, both physical and physiological and in some cases to death.

The physical manifestations, although seldom reported to authorities, are still well known. Less is known about the psychological and emotional effects of the operation.

This practice is not restricted to the third world. It is today an increasing concern for Canadians. For example, between 1986 and 1991, 40,000 people immigrated to Canada from northern and eastern Africa. In these areas the practice is routine enough that it is naive to think it has not been imported. It is naive and is in fact dangerous to ignore.

At the same time the argument has been made that we have no business imposing our cultural values on Canadian communities, especially Canadian ethnic communities. Canada is a society premised on the foundation of tolerance. Culture cannot and must never be used as an excuse to perpetuate criminal acts and violate human rights.

• (1840)

As a multicultural society, we must balance our respect for cultural variation with protection of the rights of children, women, indeed all humanity. Female genital mutilation is a cultural practice, nothing more. It is not and has never been sanctioned by any religion. Let us be emphatic on this point when we say that no religion sanctions such practice. As great as our concern for cultural freedom, greater is our concern for the lives of our young immigrant and refugee women.

The very fact of this debate indicates clearly the development of our understanding and our concern about this important issue. Our legal structures are evolving to accommodate the changing needs of Canadians. For example, I note the gender related persecution provision used by Canada in its refugee determination process. Members will recall the new guidelines being applied to a woman whose daughter faced potential ritual genital mutilation in their homeland. Canada in that case granted them refuge.

At the same time, it is critical that in addressing this problem we must target our legislative response to bring about the most effective prevention. We must move with care in order to prevent the practice from moving still further underground and we must be sensitive to the communities involved.

I commend the member for her intentions and for her work in bringing this bill forward. I fully recognize the critical importance of the principle. However, at this point, I also want to bring out the reservations that I have about the bill, not the issue.

The bill essentially proposes to amend the Criminal Code to create a specific offence of genital mutilation, punishable on indictment, and carrying a term of up to five years' imprisonment. Compare this to the existing code provisions which contain, among the various assault provisions, the offence of aggravated assault which applies to everyone who wounds, maims, disfigures or endangers the life of another person and carries a sentence of up to 14 years' imprisonment.

Moreover, section 21 of the code makes it clear that any party who aids or abets in the commission of an offence is guilty of the offence. As well, it is an offence under the code to remove a child from Canada who is ordinarily resident in order to commit any of the listed assault offences. Any person performing such an operation is also liable to prosecution.

Certainly then the existing code already covers these offences. Let us make no mistake, the Criminal Code when properly applied can be a formidable tool in this battle.

Bill C–277 is not tough enough. If the police were to charge under the specific offence, such as is stated in this bill, they would not be entitled to the stiffer penalty that we have now in the code.

I am concerned about driving the practice still further underground. This practice is very well entrenched and hidden and we must ensure that it does not slip entirely from view. I have been advised that there has not been a single prosecution in Canada of this practice. Is this just because it does not go on? I do not think so. We are not catching it.

Why are we not catching it? It is a brutal practice and it has been entrenched by the passage of time. In some communities the practice has great social prestige, marking the girl's transition to womanhood. Believe it or not, many girls look forward to this procedure with excitement and terror. They have been coerced by social pressures, the desire to please parents and communities or the fear of not finding a husband, into undergoing this brutal torment.

It will come as no surprise that even in those areas of the world where the practice is common, there are still women working against it. The Canadian Advisory Council on the Status of Women notes in its brief on the subject:

> Women from various African countries now living in Canada who had the operation as children remember sheer agony. They speak bitterly of how they were held down by several women despite their resistance. They strongly agree that they will not circumcise their daughters, would never inflict such pain upon them.

As the document notes:

—there tends to be agreement that young girls put pressure on mothers to do it.

As long as such social pressures continue to exist, the Criminal Code is of limited value in this fight. I understand the argument that a specific provision of the code would draw greater public attention to the offence, but we must recognize that education is the best tool to make Canadians understand the barbarity of this custom.

To recap, the existing Criminal Code provisions are adequate in so far as the problem can be addressed through the code. A progressive and an aggressive campaign of public information is crucial.

• (1845)

The attorney general in Ontario has a task force on female genital mutilation. We have to study the recommendations and at this point I look forward and will not rule out having a specific Criminal Code offence on this issue.

I am very grateful to the member for allowing me to add my voice with women and men in this country and around the world and say this is a barbaric practice that has to be stopped. I am very glad we have people willing to stand up and talk very openly about these issues which have been for too long left undebated.

I really appreciate being able to stand in a public forum like this to discuss something so normally sensitive an issue and say with conviction this is an issue that violates our human rights. I am proud Canada is speaking out about this. I put my support behind whatever tools are out there to eradicate this offence.

I will give very hard thought to how I will vote on this issue because I have not yet made up my mind as to whether I will vote in support of the existing Criminal Code amendments. I know they are useful. I have concerns about limiting the length of time and I wish the members opposite to know those concerns.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Madam Speaker, first of all, I wish to commend the hon. member for Québec for putting forward this bill and convincing the Standing Committee on Procedure and House Affairs to make it a votable item. This issue speaks to our fundamental values. I also wish to thank the hon. member for providing me with extensive documentation on the subject.

This issue concerns me as a citizen and a parliamentarian, of course, but also as the father of a 16–year old daughter. I shudder at the thought that, had she been born in a different country, in a different culture, she could have been subjected to the same treatment.

It is surprising and even astounding that the Canadian Criminal Code criminalizes cockfights but contains no specific provisions against female genital mutilation, because it is indeed a form of mutilation. We should not fool ourselves or try to hide behind euphemisms. Female circumcision is simply a euphemism designed to take the edge off a cruel reality. There is no comparison between male circumcision, which can even be a religious rite in some regards, and female genital mutilation. We talked earlier about the full or partial excision of the clitoris. We talked about infibulation, in which healthy organs are mutilated on purpose.

There is something absolutely outrageous about this procedure, and I was surprised to hear my colleague, the hon. member for London West, say earlier that the current provisions of the Criminal Code may be adequate, since they cover bodily harm and assaults causing bodily harm. The problem is that these provisions have been in the Criminal Code for a long time. They have been there for so long that people from other cultures who come to Canada and engage in female genital mutilation do not feel at all that they are guilty of causing bodily harm or of assault causing bodily harm.

These people feel, rightly or wrongly, that they are acting in accordance with their culture. The time has come to send them a clear message. We certainly have no mandate to become cultural imperialists, but we can say: "From the moment you cross the Canadian border, here is what the Parliament of Canada has to say. As long as you are on Canadian territory, you must adopt the following value, which we have adopted as our own—if you mutilate the genital organs of a woman, you are guilty of an indictable offence". I will come back later to the penalty which could be imposed.

• (1850)

This is the message that we should first and above all send, a clear, cultural message that, although we accept certain multicultural values, and many are acceptable, we have to draw the line somewhere, and we draw it here. We must say: We do not want any of this going on in our country. All the better if others follow our example and take the same legislative approach as we have. But we must send the message loud and clear that we have zero tolerance when it comes to the mutilation of female genital organs. We must make sure that everybody gets the message, because we are not only targeting people from other cultures; we are also targeting people on the inside, people who are culturally already Canadians and who, for one reason or another, are looking for excuses for shirking their responsibilities.

The criminalization of genital mutilation of female persons would involve the application of section 21 of the Criminal Code under which everyone is party to an offence who actually commits it, which includes conspiring to commit the offence, being an accessory and attempting to commit the offence. This

would cover far more people, in fact all those who willingly observe the so–called omerta, the law of silence, which is unacceptable in this context, and they will realize that as soon as Bill C–277 is passed. They ought to know that now, and in fact they do. There is an element of wishful blindness on the part of members of the medical profession who agree to engage in the genital mutilation of female persons because they say that if it is done by lay people there would be a risk of infection.

This does not make sense. It is like people who say that at least if we do the excision or infibulation, it is under anaesthetic. There is something very wrong with that type of reasoning. Whether it hurts or not is not the point. The point is whether we are prepared to tolerate such a brutal, I would even say bestial act.

The hon. member for Québec said earlier that 6,000 young girls or young women undergo this horrifying operation every day. I saw it on television once. It was very painful to watch, and it turned my stomach to see a girl of ten or not even that, tied up with a piece of wood in her mouth to keep her from screaming or to stifle her screams. It was awful. These images were horrible. And I think no Canadian who would see this violation of the integrity of the human body could remain unmoved.

I have no problem supporting the bill sponsored by the hon. member for Québec, for the reasons I just mentioned. We must put an end to this because, by tolerating or claiming to tolerate genital mutilation, we are merely giving further credit to a status that for a long time was and in some respects still is the lot of women in Canada and in the western world, to be a second class person.

Remember that female suffrage in Canada only came after the First World War. The first woman to sit in this House, Agnes Macphail, was elected in 1921. For a long time, members of the female sex were considered mere subordinates. It has not always been easy. It is still not easy in this country to take one's womanhood and assert it right to the top.

The reason you are in the chair today is not because you were given the position, but because you and your parents and your grandparents fought to put you there. What a vibrant symbol to have a woman in the chair. We could set an example in various ways, but the point should be made in another respect that, in terms of the status of women, major changes are still required in areas where this still applies.

• (1855)

Equal treatment for women, obviously not only equal under the law—we already have this pretty well everywhere now—, but equal in fact. Equal in fact means having people understand, from the earliest age, that men and women are born, live and die equally—not only in law but in fact. When we accept these principles, we will then be able to advance the status of women in Canada.

One comment on the proposal by my colleague for Québec: the punishment for the offence she proposes to make of the mutilation of genital organs is, in my opinion, not nearly severe enough.

Since a charge of assault causing bodily harm can result in a maximum term of 14 years' imprisonment, I will suggest in committee, because I am sure the House will refer this bill to the Standing Committee on Justice and Legal Affairs, that the maximum sentence be at least 14 years as well.

The maximum sentence must be the sentence given the worst criminal in the worst situation. In the case of a repeat offence or multiple offences, the five year sentence seems inadequate. This can easily be done in committee. On the principle of the matter, I will support Bill C–277 when the vote is taken.

[*English*]

Mrs. Anna Terrana (Vancouver East, Lib.): Madam Speaker, I am pleased to lend by support to the private members' bill of my colleague for Quebec. The issue is extremely important and deserves the attention of all of us in the House.

During the recent hearings by the standing committee on citizenship and immigration we discussed and heard evidence on gender based immigration. Canada was the first country to recognize gender based persecution, and women who fear genital mutilation have been granted refugee status. Experts say over 100 million women have been subjected to genital mutilation—what horror.

[*Translation*]

In Montreal, the Human Rights Commission is threatening legal action against anyone performing such an abomination on young girls. The mutilation is practised on young girls for religious and cultural reasons.

We know how difficult it is to change traditions and customs, but we can at least forbid such violent acts in Canada, thus protecting naive young girls who do not have access to other cultures and traditions. The amendment to the Criminal Code will ensure that such a practice is neither accepted nor justified in our society.

The procedure is carried out by a woman who does not even need to have the necessary expertise or instruments to operate on the young girls.

Even though we cannot intervene in other countries, we must make sure that such tragedies do not occur in Canada where multiculturalism protects us, but does not condone practices which are contrary to human rights or criminal in nature.

[*English*]

Multiculturalists can help with educating Canadians on this and other issues. Nowadays new surgical techniques are being developed to undo the damage so that women who were subjected to infibulation can have children without having to suffer excruciating pain and can have almost the same type of life an

adult woman is entitled to. This is only a way to cure and we need to be proactive.

We are learning more and more about genital mutilation. We are also learning that in some countries it is inflicted on all young girls. It is known that after an extremely painful operation conducted without anaesthetics or proper surgical tools the young girls will never be able to enjoy a full life as an adult and they often die.

[*Translation*]

Because of the facts I just mentioned and for many other reasons mentioned by my colleagues, I will support Bill C–277 regarding the genital mutilation of female persons. I also want to thank the member for Québec for bringing this piece of legislation forward.

The Acting Speaker (Mrs. Maheu): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

• (1900)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NUCLEAR NON–PROLIFERATION TREATY

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Madam Speaker, on May 11 I asked the Minister of Foreign Affairs what was being done to assure the extension of the non–proliferation treaty, which was then being negotiated in New York City. In particular, I asked what was being done to oblige the nuclear weapon states to respect article VI of the treaty.

According to article VI, the nuclear weapon states are obliged to reduce their nuclear weapons. That was part of the non–proliferation treaty bargain. The non–nuclear weapon states agreed not to develop nuclear weapons, while the nuclear weapon states committed themselves to reducing their nuclear arsenals.

What happened? Since the treaty was implemented in 1970 the non–nuclear weapon states, Canada included, developed or acquired no nuclear weapons. In other words, the non–nuclear weapon states totally respected the treaty. On the other hand, the three nuclear weapon states, the United States, the Soviet Union, and the United Kingdom, ignored their obligations under article VI.

In 1970, when the treaty was brought into force, the United States and the Soviet Union had 8,000 nuclear weapons. By 1990 they had 50,000 nuclear weapons. Not only did they not reduce their nuclear weapons, they increased them in a spectacular way.

Since the treaty was limited to 25 years, until March of this year, was necessary to renegotiate its continuation, and that is what was being done this spring in New York. However, one of the major problems with many of the countries that were brought to reconsider the treaty was the failure of the nuclear weapon states to live up to their obligations under article VI. Many non–nuclear weapon states asked why they should support the extension of a treaty that was not respected by the nuclear weapon states.

That was the question I put to the minister on May 11. Unfortunately, the parliamentary secretary did not answer that part of the question. He told me, and I was extremely pleased, that on that very day there had been an agreement to extend the non–proliferation treaty for an indefinite period of time. He did not, however, mention the conditions. He did not say what was being done to oblige the nuclear weapon states to reduce their nuclear weapons in accordance with article VI.

I have since learned that review conferences will continue to be held every five years to promote full implementation of the treaty and that there was a commitment to approve the comprehensive test ban treaty by 1996 as well as the establishment of certain nuclear free zones.

Once again ask the parliamentary secretary what measures are being taken to assure that the nuclear weapon states will comply with article VI of the NPT. Also, what is being done to assure universal adherence to this important treaty?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Madam Speaker, the hon. member for Notre–Dame–de–Grâce is to be congratulated for his work nationally and with international organizations in bringing about security and stability to this planet.

A few weeks ago the 176 member nations of the nuclear non–proliferation treaty, or the NPT, together took a historic decision to extend the life of this key international treaty indefinitely, which is unquestionably the most important international arms control agreement in existence.

The indefinite and unconditional extension of the NPT was a key Canadian objective. This treaty is vitally important to Canada for three essential reasons. First, the NPT establishes a barrier to the further proliferation of nuclear weapons. This is the treaty's most fundamental purpose and its most outstanding success. Canada and the world are more secure as a result.

Second, the treaty commits all states to work toward disarmament, including nuclear disarmament. Our long term goal is the complete elimination of nuclear weapons.

Third, the treaty provides the framework for the peaceful uses of nuclear energy by establishing a system of effective international safeguards. Our exports of nuclear technology under safeguard agreements have helped to sustain an industry that employs 20,000 Canadians directly and 10,000 Canadians indirectly.

Canada played a leading role at the NPT review and extension conference by marshalling the support of over 100 countries from all regions of the world for a resolution to indefinitely extend the treaty.

• (1905)

With the continued existence of the NPT no longer in question we have laid down the basis for long term security and stability, the essential elements necessary for further reductions in global nuclear inventories.

We have now turned the corner. The cold war is over and we are on the road to a world with fewer and fewer nuclear weapons. We have a long way to go, but we are on the right track. Without the NPT the world would be a much more dangerous place and Canadians would be much less secure.

We can be justly proud of the key role Canada played in securing the benefits of the NPT now and for future generations to come.

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, on may 11, I asked the Minister of Citizenship and Immigration about the enormous number of rejected applications for landing made by immigrants and refugees unable to pay the $975 immigration tax at the Mississauga claims processing office alone.

The minister denied the figures published in the media but recognized that 3,800 applications were returned because the required fee was not attached and that 400 loan applications were made. He failed to say however how many of these applications were rejected.

In fact, both the minister and his officials refuse to see how serious the situation really is. His department has refused to provide us with accurate information. In the coming weeks or months, the minister will no doubt realize and be forced to admit that this problem is taking disastrous proportions.

The only figures available so far are for Mississauga. But what about the Végréville centre, the largest claims processing office in the country? The fact is that only 38 per cent of all loan applications are accepted. Rejections are motivated for the most part by the fact that processing officers believe that claimants are not solvent.

A few weeks ago, I visited a number of agencies that provide assistance to immigrants in the Montreal area. Among them were the Bordeaux–Cartierville support centre for immigrant communities, which is located in your riding, Madam Speaker, and the Service d'aide aux réfugiés et aux immigrants du Montréal métropolitain, or SARIMM. The people I met there told me they had seen people desperately looking for money in order to pay this tax. Some abandon the idea of having their spouse or children join them in Canada because they cannot pay. How can the minister ignore this reality?

Immigrants contribute more to the public treasury than citizens born in Canada, says Professor Ather Akbari, from St. Mary's University in Halifax, who recently testified before the immigration committee. His studies show that in 1990 immigrant families paid on average $22,528 in taxes while they received only $10,558 worth of public services.

Why should immigrants have to pay a tax even before they land here, on top of the $500 fee required to have their record processed? In most cases, this is cruel, immoral, unfair, and discriminatory.

Many recognized refugees cannot get permanent residence in Canada because they cannot afford to pay the tax. What is their status, then? Nobody seems to know. In the meantime, they are not eligible to social benefits because they are not Canadian residents. How, then, are they supposed to become part of the Canadian society?

In 1988, a new program was initiated to help female refugees, especially from countries at war. Up to 1993, Canada has admitted only 655 women under that program. One of the barriers is that many of those refugees do not have the money to pay their fare to Canada. As a matter of fact, the government has refused to lend them money because they are deemed incapable of paying that money back.

The least the minister could do is make loans available to recognized refugees when they request that kind of assistance and want to bring their family to Canada.

• (1910)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am greatly disappointed by the remarks made by my colleague from Bourassa. It is too bad, but what can you do?

[*English*]

The hon. member means well but his acquaintance with the facts is still at best nodding. The numbers that he quotes are very preliminary. The numbers in the press were not correct and even were they correct, too preliminary to create any kind of a trend.

It will take some months before we see the consistency of rate that can give us some idea of the trends. What is important, très important pour mon cher ami de Bourassa, is that since the

February budget announcement the number of requests for landing has gone up, not down.

Since the announcement 18,000 applications for landing have been processed. Of the 18,000 applications, less than 3 per cent have requested loans. Sponsors who have had their applications returned because they did not include the new fee are resubmitting applications very quickly and with the correct fee.

Any applicant who does not initially qualify for a loan may reapply at any time without penalty. In addition, as the member well knows, refugees have had permission to work since February 1994.

The important thing for the member to know is something I have said to him before. The minister has said it to him. We will say it again. No refugee will be denied protection. That is the important thing.

The other important thing for the hon. member is that he should not believe everything he reads in the papers.

AGRICULTURE

Mr. Jerry Pickard (Essex—Kent, Lib.): Madam Speaker, in rural Canada there is a tremendous concern about agriculture employment services. These services do a great deal to make certain that agricultural communities throughout Canada can provide labour and work in those communities.

Farms very much depend on this service. Through federal government studies, we see that 55 per cent of our farm communities feel there would be a large problem within the sector if they did not have some type of agricultural employment service.

In my riding of Essex—Kent, in the Leamington office alone we have approximately 3,670 placements annually. The office expense is approximately $189,000. The cost per placement or per job for the federal government is $50. In my community it generates $4 million worth of labour earnings.

That $4 million justifies those placements dramatically and certainly cuts back on the cost of government across the board. The Chatham employment office has very similar statistics with 2,500 job placements annually.

This service is extremely important to both employees and employers. As the federal government has done studies on seasonal work it realizes that people with $15,000 incomes will draw on the federal and provincial governments in excess of $5,000 in support payments. With seasonal work, each dollar that is paid to a worker is reducing both the federal and provincial costs. This is extremely important to all in Canada.

The agricultural service provides quick placements for labour when a crop is ready to be harvested, planted or when some other service is required. People have to be readily available and placed into those jobs.

In my riding of Essex county and in Kent county it is a 12–month a year service with greenhouses operating all winter, dairy farms with crops having to be harvested through the summer, in the spring and the fall pruning and harvesting. These are very important and add diversity and part time labour all year round.

The minister's working group has cited that this is one of the most successful examples of meeting seasonal labour demands in the country in its studies. It cites that it is a very timely, important industry for the agricultural market to make our seasonal industries operate properly.

It is very clear that as CEC is in transition at this time it would be unable to pick up the slack if agricultural employment services were withdrawn. I think it is very important that the minister review this scenario and attempt to meet the rural needs.

There is absolutely no question when I look at the minister's approach that I am pleased he has decided he will set up a committee to investigate and operate within the structure and possibly reinvestigate the funding that may be possible for the agricultural employment service. It is important that we look at this for all rural communities throughout Canada and make certain our agricultural industry is successful and prosperous.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, the government recognizes the importance of human resources development services to rural communities across Canada.

As announced in the budget, HRDC is carrying out a thorough review and reorganization of programs and services to reduce overhead costs and find new ways of delivering services more efficiently and effectively. Every effort is being made so that services are accessible relevant to local needs and service oriented.

As the minister of HRD has previously stated, there will be more points of service in rural communities after reorganization than there currently are. Priority will be on ensuring that all clients including those in smaller communities will not have to travel for more than one–half hour to have access to basic services. The addition of 300 to 400 electronic kiosks means that HRDC will have the potential to reach 97 per cent of the working age population in all areas, including those in smaller communities.

In the context of that reform the minister is looking at developing new partnerships with the private sector, the unions and local stakeholders in the delivery of our services.

One specific area in which this approach is being pursued is the area of agricultural employment services. The minister has already announced that his department will continue to provide these services for the next year. At the same time, he has announced that AES and CECs will be involved in the development of transition plans at the local level to involve more players in the delivery of agricultural services.

Regions will work with industry partners to recommend co–operative agreements that will continue to serve employers in the agricultural industry. CEC is exploring options to handle the labour exchange function currently provided by AES. HRDC remains committed to the agricultural community and will continue to provide the best services possible.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.19 p.m.)

HOUSE OF COMMONS

Wednesday, June 7, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

ONTARIO ELECTION

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, tomorrow Ontarians will be called on to elect a new government.

Mike Harris and his crew are catering to the extreme right by promising unrealistic tax and spending cuts. I call on the Conservative leader to come clean with Ontarians and tell them exactly how these cuts are to affect education, health care and social programs.

I pledge my full support behind Lyn McLeod and her excellent team of candidates. I am convinced that if Ontarians focus on provincial issues and see Mike Harris for what he really is, a Mulroney clone, they will elect a majority Liberal government.

Mike Harris will cut education and create a two tier health care system. Mike Harris wants to bring us back to the future of the 1950s old boys network where you take from the poor to give to the rich.

Let us move forward with the realities of the 21st century and elect a fiscally responsible—

The Speaker: The hon. member for Anjou—Rivière-des-Prairies.

* * *

[*Translation*]

MINISTER OF CANADIAN HERITAGE

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, the Bloc Quebecois awards its prize for the best bungler to the Minister of Canadian Heritage.

After his murky role in the Ginn Publishing affair, his attempt to influence the CRTC's decision regarding a broadcasting licence, his decision to slash the CBC's budget and refusal to admit that he had done it, his embroilment of the CRTC in the Power DirecTv matter, his less than timely visit to Los Angeles and its impact on the Seagram matter, the minister just keeps on going.

Why should we be surprised that the minister accepted to be the host of a $2,000 a plate dinner organized by a lobbying firm? Why should we be surprised to see that the minister's office awarded that very firm three contracts?

In light of these revelations, one question comes to mind: Why does the Prime Minister protect this minister who is singlehandedly bringing down the semblance of respectability and ethical conduct that the government has so painstakingly built for itself?

* * *

[*English*]

ABORIGINAL AFFAIRS

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the native blockade at the Douglas Lake ranch has finally come to an end. It was taken down not because the RCMP enforced the law and removed this illegal blockade but apparently because charges against the four Nicola band members that were illegally fishing were dropped. Because the RCMP refused to enforce the law this whole affair has cost the Douglas Lake ranch around $200,000. Who pays for that?

Now the chief of the band is warning that if progress is not made to their satisfaction more blockades will go up. The RCMP action will undoubtedly result in B.C. being transformed into a blockade battleground this summer.

This whole Douglas Lake affair is clear evidence that a two tier justice system is being actively pursued by the government. So much for equality and so much for equality before the law.

* * *

ABORIGINAL AFFAIRS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, on behalf of members of Parliament I extend congratulations to Superintendent Len Olfert of the RCMP and to other members of the force for their exemplary performance in fulfilling their professional duties of enforcing the court order to remove the blockade erected by the Upper Nicola Indian Band.

The barricade was removed in a peaceful and safe manner. The RCMP demonstrated a cultural appreciation, recognition and sensitivity that enabled a communication channel to be

maintained between the members of the force and the First Nations leaders involved in this serious dispute.

Appreciation must also be extended to the First Nations peoples involved. Despite their serious historic grievances they were prepared to co–operate with the RCMP and agreed to resolve any differences through a process of negotiation.

This action bodes well for a satisfactory resolution of the issues. It once again reminds us why the RCMP is the most professional and respected police force in the entire world.

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ONTARIO ELECTION

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise today to voice my opposition to the Reform Party like tactics being used by the Ontario Progressive Conservative Party during the Ontario election campaign.

Mike Harris and his party troops are spreading a gospel of fiscal fantasy. On the one hand they promise $4 billion worth of income tax cuts; on the other they pledge to balance the budget in six years. On the one hand they would promise not to cut health care and education; on the other they would spend millions of dollars on end of pipe solutions, punishing youth in boot camps, a system that has already failed in the United States. Are they for real? To top it all off, the Harris posse pledges to take a 25 per cent pay cut if they fail to meet their deficit targets, targets set for some time after the next provincial election.

The people of Ontario do not need naive politicians who make lofty promises that do not make any sense. They need the McLeod team: realistic promises, realistic goals, good government.

* * *

ONTARIO ELECTION

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):

Mr. Speaker,

There once was a man from North Bay,
Who dreamed of a win on E–day,
Harris promised a tax cut,
Thinking we'd fall for that smut,
Sounds just like Mulroney, wouldn't ya say!

That is right, Mr. Speaker. We will not be fooled by the fairy tale provincial Tory election plan. We heard tall tales like these from Brian for nine years.

Economists are being polite when they express their scepticism about the Tory plan for balancing the budget. However, behind closed doors they are rolling on the floor laughing at Harris' Alice in Wonderland election ploy.

• (1405)

Let us get real. The Ontario electorate is not so naive as to believe that a 30 per cent personal income tax cut will ever come their way. This comes from the guy who wants Ontario students to sell chocolate bars in order to subsidize the huge Tory tuition plan and the increases his party has planned for them.

* * *

ONTARIO ELECTION

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, on the eve of the Ontario election I want to look at the hot buttons the Tories are pushing.

They are telling the people of Ontario that workfare will work. I was glad to see in the *Globe and Mail* today, the number one Tory supporter, that it has identified that plan as an unworkable policy clunker.

The Tories say that employment equity is all about quotas and if we just get rid of the legislation we will find all the jobs that we need for Ontario. That is simplistic and is a totally outrageous misrepresentation.

The Tories tell us they will cut our taxes by 30 per cent, they will balance the budget and they will not touch health care. We all want that but there is nothing in their plan that will get us there except perhaps a new Ontario health tax for individuals.

What bothers me the most is that they are speaking to the dark side of human nature. They are giving licence to us to attack people who are least able to defend themselves. It is unfair and unjust. The people of Ontario will not vote for that platform tomorrow.

* * *

[*Translation*]

G–7 SUMMIT

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, this morning the final press release of the G–7 Summit in Halifax, a summit that has not even taken place yet, was available to all. The source of this leak, which has embarrassed the governments of the six other G–7 countries, must be the Canadian government, the host of the summit. How confident the other G–7 countries must be of this government's reliability!

This amateurism puts us to shame. Quebecers and Canadians could be proud of the accomplishments of previous governments on the international scene. In earlier times, we were on the cutting edge of peacekeeping missions the world over. We once were the conscience of the western world regarding human rights. We once were the bridge between east and west, north and south, the United States and Europe. Today, the lack of imagination, of a vision for the future and the failure to see big have relegated us to a second rate role. The Canada of which so many people were once proud is no more.

[*English*]

GOVERNMENT EXPENDITURES

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, on the eve of the election in Ontario I rise to outline yet another Liberal broken promise.

On page 20 of the red book the Liberals promised to reduce the professional and special services budget of the government by 15 per cent. What has happened? The professional and special services budget has increased by $136 million.

The Department of Transport saw an 86 per cent increase in the need for special assistance over the past year. Even the governor general needed special help to the tune of $87,000 more than last year.

This is just another example of the lack of Liberal will and ability to cut spending. Meanwhile the Reform Party has put forward more than 50 motions to eliminate wasteful spending in the main estimates which will be debated tonight.

Will the Liberals live up to their red book promises and vote for spending reductions? We will wait to see.

* * *

ONTARIO ELECTION

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, Reformers, Tories, same old stories in Ontario.

Tomorrow is E–day and in Windsor and Essex county, the centre of the universe, we are ready. We live on the U.S. border and we can see the effect of Mike Harris style politics every day. We do not want Ontario governed by the republicans of the north.

We want universal access to health care. We want our brand new casino industry to thrive. We want good, competent, compassionate government: McNamara, Duncan, Pupattello, Crozier, Hoy.

Republican, Tory, same old story. That is not what Windsor wants.

* * *

[*Translation*]

MIKE HARRIS

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, last week, a few days before the Ontario provincial election, the Association canadienne–française de l'Ontario, ACFO, held its annual convention in Toronto. This organization has defended the interests of Ontario's francophone community for decades.

The leaders of the Liberal, New Democrat and Conservative parties were invited to attend. Mike Harris, the leader of the Conservative Party decided, however, not to. Would Mr. Harris' decision not indicate how little interest he has in Ontario francophones? It would seem so.

• (1410)

Ontario's francophones want a government that is sensitive to their needs, a government that is not afraid to respect their rights. Clearly, Mr. Harris has little concern for these claims and for the francophone community of Ontario in general.

* * *

[*English*]

ONTARIO ELECTION

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, Ontario Conservative leader Mike Harris has promised a referendum on any future tax increases. This reads like Reform Party policy. Maybe the people of Ontario could call Mike on a 1–900 user pay service. His motto could be "when I want your opinion, I want you to pay for it". Mike could seek advice on issues that are important only to him, or Mike could do what Reformers are known for, ignore the people and vote the way the Reform politicians think best.

The people of Ontario want action and they want jobs. Liberal promises are real and they will be kept. In 1993 the people of Ontario elected only one Reformer. They have shown their common sense. Tomorrow they have a chance to once again reject doom and gloom and lots of empty promises by putting the Conservatives where they belong, as they did the Reformers, in opposition to stay.

* * *

[*Translation*]

IMMIGRATION

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, the pathetic muddling of the officials of the Department of Immigration is getting worse at the Canadian embassy in Paris.

As members will recall the immigration department refused to grant a visa to the Algerian film maker Mrs. Koudil so she could present her film at the Vues d'Afrique festival. The department had to reconsider its position.

Then, visas were denied to three Algerian actors, who were to put on a play at the Theatre Festival of the Americas denouncing the rise of fundamentalism in Algeria.

Now, two Algerian grandmothers are drawing the officials' ire. These women are over 65 years old and want to visit their children and grandchildren living in Canada, as they have done in the past.

We could talk of bad faith. The question is, does it lie with the ambassador or with the minister.

* * *

[*English*]

JUSTICE COMMITTEE CHAIRMAN

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, will history repeat itself? Will the member for Notre–Dame–de–Grâce be removed from his position as the chair of the justice standing committee? Will the cowardly and shameful exercise of power be displayed one more time?

The anticipated removal of the chairman of the Standing Committee on Justice and Legal Affairs will be another example of the broken promises of the government to allow for more free votes in the House of Commons. It will be a blatant demonstration of this government's disregard for the principles of democracy.

I do not share the hon. member's political ideologies. However he has earned my respect as chairman of the justice committee as he has displayed an enormous amount of fairness and skill in his duties, particularly during the proceedings on the gun control bill.

Such an act will result in the justice committee losing a skilled and experienced chairman, a loss that will be greatly felt by members who sit on my side of the table and all members of the justice committee.

* * *

ONTARIO ELECTION

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, the people of Ontario are getting wise to the reality of Mike Harris' ultra conservative policy. His pie in the sky promises of a 30 per cent income tax cut are an insult to the intelligence of the people of this province. How does he propose to juggle a massive tax cut and balance the budget without slashing essential services? He does not.

Mike Harris is deceiving the people of Ontario, shamelessly exploiting the discontent brought about by five years of NDP government. He is using it as a pretext to dismantle progressive and essential programs that the Liberals across this country have helped establish.

There is only one real choice for the voters in Ontario. Lyn McLeod has demonstrated her commitment to the people of Ontario by proposing realistic and workable proposals for change, realistic tax cuts to stimulate job creation, a balanced budget in four years, a firm commitment to cut $3.5 billion from government spending while maintaining funding for education and health.

ONTARIO ELECTION

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, tomorrow Ontario goes to the polls to elect a new government.

The Liberals have promised not to increase taxes but to balance the provincial budget within four years. They have presented a responsible and prudent plan that recognizes both the government's fiscal responsibility and its social responsibility not to place the burden of reducing the deficit on the backs of the least advantaged in society.

• (1415)

It is one thing to hold the line on personal tax increases. It is irresponsible to substantially cut them when facing a large deficit. Ronald Reagan showed us in 1981 what happens when taxes are cut without a sound economic plan. The rich get richer, the debts get larger, and the middle class becomes poorer.

The people of Ontario know that it will require leadership and not gimmicks to guide the province. Lyn McLeod and the Liberals will provide that leadership.

ORAL QUESTION PERIOD

[*Translation*]

CRTC

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, yesterday CRTC chairman Keith Spicer was very critical of the directives the federal government is about to approve with respect to direct to home satellite television services. He referred to these directives as illegal and condemned their unprecedented retroactive effect as well as their incredibly detailed content. Mr. Spicer said that government intervention undermined the independence and integrity of the CRTC and could lead to political interference with its operations.

My question is directed to the Prime Minister. Considering that yesterday, Mr. Spicer felt it was necessary to remind us that the government's authority with respect to communications did not extend to giving preferential treatment to certain friends, would the Prime Minister agree that these statements by the CRTC chairman cast doubts on the government's integrity in the case of DTH satellite television services?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, let us be very clear about what has happened here. The government has pursued a process which is set out very clearly in the Broadcasting Act. We have tabled a direction in Parliament.

The job of the government is to make policy. It was for that reason we were elected. It is the job of the CRTC to implement policy. It is for that reason it was created.

We have tabled a direction in the House which is part of a parliamentary process. It sets out a policy which is in favour of competition and in favour of consumers. Consumers have asked for leadership. That is what we are providing.

If the Bloc Quebecois or the Reform Party would like to suggest either that the direction be withdrawn and that the monopoly created by the exemption order remain or that the direction be amended, let us hear their suggestions.

The direction is on the table of the House. It is an open, transparent and public process. We are looking for good policy. Let us hear what the opposition has to suggest.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, obviously these excellent arguments failed to convince the chairman of the CRTC who knows the subject inside out.

Some hon. members: Hear, hear.

Mr. Bouchard: My question was about the integrity of this government, and the custodian of the government's integrity, the person who is ultimately responsible for the government's integrity is the leader of the government. My question is directed to the Prime Minister, and I want to ask him to explain how he can claim that his government followed normal procedures in this case and acted with integrity, when we know that the orders were tailor made for Power DirecTv in which his son–in–law has an interest?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Once again, Mr. Speaker, the Leader of the Opposition chooses to confuse policy with accusations that have nothing to do with reality.

Let me remind him again that the origin of the issue was the issuance of an exemption order which effectively created a monopoly in the direct to home satellite sector.

Let me remind the hon. Leader of the Opposition exactly why the exemption order was created in the first place in the bill proposed by the former government.

• (1420)

The explanatory note says that an exemption order exists as part of the technology neutral approach of the act. An example of a service which is technically broadcasting but which the commission would probably want to exempt is real estate radio.

What we have here is the use of the exemption order by the CRTC to authorize the entry into a very major component of the broadcasting service in the country of direct to home satellite broadcasting.

It was never anticipated that an exemption order would be used for such a purpose. It is entirely appropriate that the government seek a transparent method of looking at the means of licensing and recognizing the entry into the market in this important sector.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I pity the CRTC! Someone is responsible for defending the government's integrity: it is the Prime Minister, and he is not saying a word. Someone is responsible for defending the CRTC in this House; he is not saying a word, and the Minister of Industry is trying to cover for these people. He is getting involved in something that is none of his business.

Some hon. members: Hear, hear.

Mr. Bouchard: I will give the Prime Minister another chance to act responsibly on this issue. I want to ask him how he can continue to claim he did nothing out of the ordinary and that the matter is being dealt with, when Expressvu, the competing consortium which had agreed to comply with the CRTC's criteria, has already made it clear that it would challenge the cabinet directives in the courts and that the CRTC will refuse to implement orders it feels are unlawful and also plans to bring this matter before the courts.

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, throughout this issue the Prime Minister has acted with the utmost integrity by withdrawing himself from any discussion concerning it.

The government's objective is to establish a competitive environment in this important sector. Apparently there are plenty of legal opinions floating around. The hon. member knows very well that lawyers can be found to give opinions from virtually any point of view.

However, in this case we are confident we are acting entirely within the authority we have within the act. We have created a process that is open and transparent. We are seeking a policy that is pro competition and pro consumer.

Again I say to the Leader of the Opposition that if he has a suggestion to make on how the policy ought to be shaped, if he wishes us to listen to protect one particular interest, we will hear him.

The Speaker: I urge hon. members to make the questions direct and the answers a little shorter.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is for the Prime Minister or his messenger boy. I do not know who will choose to respond. The Minister of Industry may feign indignation, but he cannot hide his own and the whole government's discomfort.

The chairman of the CRTC told the parliamentary committee yesterday that the government's power to issue directives never meant that it could take over the CRTC's role of setting Canada's broadcasting policy.

Does the Prime Minister or his messenger boy, his underling, not think that, by bypassing the usual decision making process in this matter, putting in place a special committee as proposed, and drafting a very specific order tailor made for Power DirecTv, the government usurped the CRTC's powers, as CRTC chairman Keith Spicer claims?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, we not only have the right to issue directives governing debate here in this House, but we also have the duty to set the best possible broadcasting policy for Canada.

• (1425)

That is what we did. We have not heard a single word from the official opposition about the broadcasting policies it favours.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I will not take long. Given the kind of answer I am getting, I will try to make my question shorter and clearer. Perhaps then the minister will understand.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Impossible! It is impossible for him to understand.

Mr. Gauthier: Given the absolutely unprecedented attack by the CRTC chairman—not just anyone but the person appointed by the government to head the CRTC—, how can the minister continue to claim that the government followed normal procedures in this matter? How can he make such a claim, when it is quite obvious that all government decisions have directly benefited Power DirecTv, in which the Prime Minister's son–in–law has interests?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the problem with the hon. member's thesis is that it is wrong. Our order did not favour anyone. We proposed that the CRTC create a licensing system for everyone. We did not ask the CRTC to favour a specific group, company or individual.

[*English*]

The exemption order does that. It is an exemption order which is not subject to any appeal. It exists for a very limited purpose within the statute.

We have set in process a means of determining a policy which we think will be better in the interest of Canadians and the interest of consumers.

I have yet to hear from the hon. member whether he disagrees with the expert panel, whether he disagrees with Friends of Canadian Broadcasting, whether he disagrees with the Consumers Association of Canada, all of whom say this is what we should be doing. That is the advice we are taking, not his.

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MINISTER OF CANADIAN HERITAGE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, section 23 of the federal conflict of interest code includes this guideline:

> A public office holder shall take care to avoid—the appearance of being placed under any obligation to any person—that might profit from special consideration on the part of the office holder.

In September the heritage minister blatantly broke the guideline. He did not avoid the appearance of conflict of interest. He participated in a private dinner at which guests were invited to pay $2,000 for access to the minister and after which several received government contracts.

The Prime Minister was therefore clearly wrong when he said in the House yesterday that "the minister has contravened none of our rules or directives".

Will the Prime Minister, before he digs himself in any deeper, now demand the resignation of the Canadian heritage minister for violation of this guideline?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I replied to these questions yesterday. I said that ministers have been engaged like all members of Parliament of all parties in fundraising. The names of the people and the amount of money have been transmitted to the party according to the laws of Canada. Every minister and every member of Parliament are doing that. Everybody has to do it according to rules set out by the elections act. In this case the minister has followed that.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in 1987 Conservative cabinet minister Roch LaSalle held a $5,000 a head cocktail party in a private home for a group of business people with interests in his department.

The Liberal opposition declared this to be a conflict of interest and demanded the minister's resignation. Prime Minister Mulroney, that great guardian of public ethics, eventually asked LaSalle to resign.

In 1994 the Liberal heritage minister held a $2,000 a plate dinner at a private home for a group of business people with interests in his department. We demand his resignation and declare it to be a conflict of interest, but the Prime Minister denies there is any wrongdoing.

• (1430)

Will the Prime Minister now abandon this double standard and raise himself to the ethical standards of Brian Mulroney and demand the resignation of that minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I repeat all that has been done according to the information I have is the member has contributions, the money has been paid to the Liberal Party of Canada and we know the names of the people and the amount, as every party does. Some of the contributors to that dinner have also given money to the Reform Party.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the red book of the Liberals makes reference to ethics being the discipline of discerning right from wrong. By his answers yesterday and today the Prime Minister displays a disappointing ability to tell right from wrong where patronage is involved and where influence—

Some hon. members: Hear, hear.

Mr. Manning: The justice minister and the minister of public works are wrong over patronage. The Minister of Canadian Heritage is wrong over conflict of interest and the Prime Minister is wrong to defend those types of errors.

In the name of red book ethics, will the Prime Minister start today to do the right thing and demand the resignation of the minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have replied to these questions and the hon. member has not put forward any new facts.

We have the names of the people who contributed to the Liberal Party at this occasion. The names were printed in public documents. It is part of the political process of contributions to the party. As I said yesterday, the contributors did not receive a contract in relation to the government. Most of these contributions came from corporations which gave to the Reform Party as well.

* * *

[*Translation*]

CRTC

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, we are not fooled by the government order, which has a double objective: help Power DirecTv and hinder Expressvu.

Canadians' confidence in the integrity of the process that led the government to favour Power DirecTv was strongly shaken by the striking revelations made by the chairman of the CRTC.

My question is for the Prime Minister. Does the Prime Minister not feel that, by letting the heritage and industry ministers undermine the authority and integrity of the CRTC in a matter that benefits his own son–in–law, he is in fact condoning an unacceptable situation that was strongly denounced by the chairman of the CRTC?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, again, the facts are the following. We introduced a transparent public process. The directive issued in this House is open for discussion. It is possible for both the official opposition and the Reform Party to propose amendments. To date, they have not proposed any. Neither have they discussed the CRTC order in terms of the monopoly it set up. Consumers in Quebec and Canada prefer that there be competition in every sector. In the emerging satellite broadcasting sector in particular, there is no reason for not having open competition.

We are on the side of consumers. We are in favour of competition. What does the opposition have against that?

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, there is a limit to leading people down the garden path. With Expressvu, there was no monopoly; Power DirecTv, however, did not meet CRTC requirements. That is why he wants to prevent the start–up of Expressvu.

Some hon. members: Hear, hear.

Mrs. Tremblay: Given that the Prime Minister's senior adviser was kept abreast of progress on the Power DirecTv issue and that we now know that the government orders are illegal because they have a retroactive effect, how can the Prime Minister continue to maintain that the usual transparent procedure was followed in the case of Power DirecTv and that his son–in–law's interests did not carry inordinate weight in the matter?

• (1435)

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I will not begin to take my legal opinions from this hon. member. We have acted entirely in accordance with the law. The Broadcasting Act is quite clear and we have followed it to the letter. We have tabled the direction in the House; it is there for discussion.

I have yet, despite numerous times today, to hear once from the opposition whether it thinks the directions should simply be withdrawn in order to create a monopoly for one company or whether it thinks the directions should be changed in some way. If so, let it propose it.

We are in favour of competition. We are standing up for the consumers. What is the opposition standing up for?

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MINISTER OF CANADIAN HERITAGE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, talk about secrecy, the minister's office will not give us the entire list of who contributed to the fundraising dinner. Elec-

tions Canada has not yet made the names public, which makes me wonder why he thinks there were Reform funds.

Will the Prime Minister table the entire list of those who attended and those who contributed?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague has some good information because I gave it to her no later than this morning. She is flaunting around a piece of paper alleging to contain the right information.

The Speaker: I ask the hon. minister to please not use the paper as a prop.

Mr. Dupuy: If she wants me to compare what is on her list with the truth I will be glad to do so either in the House or personally with her.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I asked for the entire list and I do not want to hear the Minister of Canadian Heritage question whether I am telling the truth in the House.

The code of conduct set by the Prime Minister for his cabinet ministers is so low that even Brian Mulroney could pass the test. The Prime Minister has insisted he will not investigate this mess, nor will the ethics counsellor. Even Brian Mulroney had the RCMP investigate the LaSalle dinner, a dinner not very different from this one.

Will the Prime Minister direct the RCMP to investigate this paid access to the Minister of Canadian Heritage?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all the facts are known and there is no need for an investigation. The names and the amounts of money are known. The money has been paid to the Liberal Party. I discussed this with the ethics counsellor yesterday morning.

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[*Translation*]

CRTC

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The minister has a responsibility to preserve the CRTC's independence, as well as that of Canada's regulatory process regarding broadcasting.

How can the Minister of Canadian Heritage associate himself with orders in council deemed illegal by the CRTC, which is responsible for implementing them, considering that, by virtue of his ministerial responsibilities, he must protect the CRTC's independence?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I will once again explain to the Bloc Quebecois that we did nothing to compromise the CRTC's independence, since we followed a process which is provided for in the broadcasting legislation.

• (1440)

The situation is very clear. There is a parliamentary process. We could debate the issue in this House. We have no intention of restricting the CRTC's independence. If Bloc members have a different view on the directive, they can share it. We are prepared to listen.

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, I hope that the committee will be as receptive to our amendments as the minister is in this House. My supplementary is also for the Minister of Canadian Heritage. How can the minister willingly ignore the criticisms made by the CRTC chairman, who has to call on public opinion to preserve the independence of his organization? Is this not a serious neglect of duty?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, it is very important the opposition understand what we are trying to do.

The complaint would have validity if there was an attempt to interfere with the CRTC's process, if there was an attempt in some fashion to determine who would receive a licence or who would not.

Instead we are dealing with situation in which the government is endeavouring to establish policy. That policy includes an obligation on the part of those who wish to provide direct to home satellite services of applying to the CRTC to obtain a licence to do so. Nobody would be able to carry on that business without a licence granted by the independent tribunal, the CRTC.

That does not in any way limit its independence. It is an appeal to it to use its independence in a way that is understood by the process to have a public application heard, debated, discussed and licences issued free of interference from the Government of Canada.

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MINISTER OF CANADIAN HERITAGE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, political contributions are not the problem here. Guaranteed contracts because of those contributions are the problem.

The government's approach to conflicts of interest is no different form the Mulroney gang. "If he had any information other than smear and innuendo let him summon the courage to make a direct accusation". Are these the words of the Prime Minister? No, they came from the lips of Brian Mulroney in defence of Roch LaSalle of all people.

Why has the Prime Minister adopted the Mulroney approach to political integrity and why will he not ask the heritage minister to resign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have replied to that question. I have said many times that every member of the House is raising money.

The minister was involved in raising money for the Liberal Party of Canada. The money has been paid and receipted according to the law. We do that. I did it in Calgary, in Edmonton, in Vancouver; I do it all over Canada. That is the way political parties function in Canada. That is the way we can ensure it is fair for all parties. Every member of Parliament has the right to solicit money from people.

If you can prove a link between a contract and a contribution, do it. If you cannot, you do not have the right to speak because it is only—

The Speaker: I ask all hon. members to please address their remarks to the Chair.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the Liberal red book promised to restore integrity to our political institution. It promised a Liberal government would ensure codes of conduct were met and that conflict of interest would become a thing of the past.

Only 20 months later Canadians are wondering whether anyone in the House other than the hon. member for Notre–Dame–de–Grâce remembers those promises, which he campaigned on, in the red book. If the government were serious about its election commitments the Minister of Canadian Heritage would be a thing of the past.

Why has the government again broken its red book promises to restore integrity to our political institutions?

• (1445)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, they have asked the same question 10 times. I gave the answer that the money has been paid to the Liberal Party according to the law and I have nothing else to add.

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[*Translation*]

CRIMINAL CODE

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, my question is for the Prime Minister and deals with another matter.

Yesterday, the Special Senate Committee on Euthanasia and Assisted Suicide tabled its report. It contains several recommendations regarding aggressive therapy, living wills, assisted suicide, euthanasia and more. The Prime Minister is already committed to a debate in this House.

Will the Prime Minister undertake to strike a House of Commons committee to review this matter, as the official opposition asked him to do last November?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, yesterday or the day before, we received the committee's report, which is being studied by the Minister of Justice. The member's suggestion to have a House committee review the matter is an interesting one. I will bring it up with the Minister of Justice, and if it happens to be in everybody's interest to have another committee, a committee of the House this time, study the issue, personally I have no problem with this.

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, regarding the issue of aggressive therapy, I would remind the Prime Minister of the 1983 Law Reform Commission report which recommended that the Criminal Code be amended, especially with regard to aggressive therapy.

Given the importance of the issue, and considering that there is general agreement to amend the Criminal Code with respect to aggressive therapy, will the Prime Minister undertake to act without delay and table a bill to this effect in this House?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if there is general agreement, and if the fastest route is to table a bill, I have no doubt that that is what the Minister of Justice will want to do.

On the other hand, the member asked whether we would consider having a parliamentary committee review the matter; this could be another alternative. We might want to combine both. The Minister of Justice is going to take this under advisement and report to the House when he is ready.

* * *

POVERTY

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, in Canada a great number of women live in poverty. Quebec women have recently shown that they want governments to contribute to their economic equality.

My question is for the secretary of state for the status of women. Will the federal government take any real measures to meet the legitimate demands of women?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, I want to thank the member for Saint–Denis for her commitment and dedication. I must say our government is profoundly committed to the principle and the development of equality for women.

We have undertaken many projects in this regard. First of all, we restored the court challenges program. The Minister of Human Resources Development tabled a bill on employment equity. The president of the Treasury Board tabled the Employment Equity Act. The Minister of Justice has taken many initiatives in order to improve the Criminal Code.

[*English*]

GOVERNMENT APPOINTMENTS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, due to patently obvious Liberal patronage, the justice department in a case in Nanaimo, B.C. put a reluctant and inexperienced lawyer handling his first drug conspiracy case up against a seasoned defence lawyer. Predictably the case was thrown out.

Because this patronage issue has expanded beyond the three firms identified as being the revenue minister's ardent supporters, will the justice minister do the right thing to protect the people of B.C. and review his recent appointments of Liberal bagmen and hacks?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I cannot comment on the case because it is possible the decision will be appealed.

The lawyer for the crown, the prosecutor, was an experienced litigator and had been a representative of the attorney general since 1986.

• (1450)

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, that is very interesting. He has been a representative of the justice department since 1986. This was his first case prosecuting drugs. Formerly he had prosecuted fishery problems. There is a difference.

Due to the interference of the revenue minister, a firm of 20 years' experience, MacDonald McNeely, that would have been handling the case, was let go. In spite of concerns expressed by myself in the House to the justice minister, concerns expressed by the RCMP in public and to the justice department and even the newly appointed prosecutor himself, the justice department still let him go ahead with the prosecution and he blew it.

I ask again, will the minister do the right thing. Will he get rid of the revenue minister's appointments and give the people of B.C. what they deserve, a properly run justice system free from patronage?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, prosecutions by the federal government take many forms.

The Criminal Code is a very large book. A lawyer can go a whole career and never have prosecutions under certain sections. It is extremely unreasonable not to allow a representative of the attorney general not to prosecute because he or she may not have had a previous case under that particular section.

[*Translation*]

KREVER COMMISSION

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, my question is for the Minister of Health.

The national hearings on the tainted blood scandal allow members of the Krever Commission to hear witnesses in order to understand the events surrounding this tragedy. It happens that some decisions were made by federal political figures. Yet, these same people have not been invited to appear before this commission.

Can the minister assure us that her department's authorities have made all the information required to shed light on the decisions that were made between 1978 and 1985 by the various actors, including the political figures, available to the Krever Commission?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we want to fully co–operate so that we really know what happened. I am told that, indeed, all the information has been made available to Mr. Krever.

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, I got the minister's answer and would like to ask her another question.

Considering that at the time of the tainted blood scandal, Connaught Laboratories were controlled by the Canada Development Corporation, a federal corporation, how does the minister explain that no one on the board or in management of this corporation between 1978 and 1985 has been invited to testify at the national hearings of the Krever Commission?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the Krever inquiry is to look into what happened in the past.

• (1455)

I personally or as the Minister of Health will not make any comments concerning any of the witnesses or any of the evidence that is being brought before Mr. Krever.

We await his final report. Mr. Krever is independent in deciding how to conduct his inquiry and we will continue to ensure that independence. We think it is very important.

* * *

CANADA POST

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, on seven previous occasions I have asked for a full public inquiry into the Perez affair. It has been denied every time.

The Prime Minister says he wants proof. Here are several documented instances. A Liberal member of the other place

received $5,000 per month from Perez for several years. The chairman of Canada Post had his hotel in Spain paid for by Perez and his son received over $100,000 from Perez.

We have more proof. An associate of Perez considered the payments to the chairman's son as part of the Canada Post deal. There is the proof.

Will the Prime Minister prove to Canadians that he has the high ethical standards that he claims to have by authorizing a full, independent investigation into the scandal?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member opposite has raised this question on a previous occasion.

It would be inappropriate for the government to do anything because an RCMP investigation is presently under way. Proceedings are taking place under the Bankruptcy Act. This question was put to the president of the Canada Post Corporation when he appeared before the standing committee.

I understand the hon. member's desire to make further accusations against the individuals involved but it would be highly inappropriate for us to take action until those proceedings come to a full and complete ending. Thereafter decisions can be made.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the bankruptcy investigation is one thing. The ongoing business of Mr. Perez with the government is what the government ought to be concerned about and that is current.

Mr. Perez is still very much a player here in Ottawa and seeking government contracts. My question is specifically for the Prime Minister.

Has he at any time received money from Perez? If so, is this clouding his decision—

Some hon. members: Oh, oh.

The Speaker: Colleagues, both the questions and the answers today have been quite forceful. I suggest with all respect to the hon. member that the question is impugning great motive. I would like him to withdraw the question if he would.

I will permit him to rephrase another question but I would like him to withdraw that question if he would.

Mr. Epp: Mr. Speaker, my sincere apologies. I meant no disrespect. I apologize and I withdraw the phrase.

I would like the Prime Minister to state very clearly to us what his reason is for not advancing an investigation with respect to the current operations of Mr. Perez and the dealings of the government. It is a matter of ethics.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the issue should be very clear to the hon. member.

An RCMP investigation is under way. Proceedings before the bankruptcy court are taking place. For any minister of the crown, including the Prime Minister, to take any other kind of action would be inappropriate.

I suggest to the hon. member that he wait for the appropriate time when all of the proceedings are concluded. Thereafter decisions will be made.

* * *

• (1500)

AGRICULTURE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

During the appearance of Assistant Deputy Minister Comeau before the agriculture and agri–food committee last week, extensive reference was made to memos written by officials of agriculture Canada that left the impression the government might not be fully supportive of the supply management system.

Could the minister clarify the issue and give his commitment to the government's support for supply management?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, with respect to the documents referred to in the hon. member's question, I am advised that Madam Comeau was not the author of the documents being complained about. That material was prepared for the previous federal government, before October 1993, and not for this government.

We have defended Canada's supply management system. If our Canadian supply management system is at some future date challenged by some legal means, by the United States or any others, Canadians may rest assured that we will continue our strong defence of supply management because we believe it is right as a matter of trade policy and trade law.

The Speaker: This brings to a conclusion the question period for today.

ROUTINE PROCEEDINGS

[*Translation*]

COMMISSION OF INQUIRY ON THE BLOOD SYSTEM IN CANADA

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I have the pleasure to table, in both official languages, a

report entitled "Government Response to the Interim Report of the Commission of Inquiry on the Blood System in Canada".

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 12 petitions.

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Justice and Legal Affairs.

Pursuant to the order of reference of Wednesday, April 5, 1995, your committee has considered Bill C–68, an act respecting firearms and other weapons. Your committee has agreed to report it with approximately 61 amendments.

I want to mention that in considering this bill the committee heard 70 witness groups over a two–month period, representing all points of view. I want to thank all witnesses for their views on this important matter. I also want to thank the members of the committee, who co–operated through many long meetings to improve and to clear this bill.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present to the House the 81st report of the Standing Committee on Procedure and House Affairs, relating to changes to the standing orders as they relate to private members' business and particularly to Standing Order 98.

The committee recommends that the prohibition against the second sitting day of the report and third reading stages of a private member's bill on Mondays and Fridays be deleted.

I urge all hon. members to read this fascinating report from the committee.

* * *

• (1505)

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.) moved for leave to introduce Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts.

(Motions deemed adopted, bill read the first time and printed.)

* * *

CRIMINAL CODE

Mr. John Nunziata (York South—Weston, Lib.) moved for leave to introduce Bill C–331, an act to amend the Criminal Code (taking a sample of a bodily substance).

He said: Mr. Speaker, I am pleased to have the opportunity today to introduce this private member's bill, which deals with what is considered to be a gaping hole in the criminal justice system.

The bill I am introducing today would give the police the authority to require a suspect in a criminal investigation to provide a DNA sample.

It is unfortunate today in Canada that a person suspected of drinking and driving could be forced to provide a breath sample, yet someone who is suspected of committing a murder or a rape cannot be forced to provide a DNA sample.

The bill will allow the police to obtain a warrant from a justice of the peace requiring the person to provide a sample. Failure to provide the sample will result in a criminal prosecution of that particular individual, and the person's refusal to provide the sample can be used in court against the accused in the criminal proceedings.

As I indicated, this bill will fill a gaping hole in the criminal justice system. DNA evidence is a powerful, reliable form of evidence, which can be used to solve hundreds of serious crimes in the country that are unsolved at present. Not only can it establish guilt, but it can also be used to establish innocence.

(Motions deemed adopted, bill read the first time and printed.)

Mr. McClelland: Mr. Speaker, on a point of order, given the gravity and the importance of the bill just introduced by my hon. colleague opposite, I wonder if hon. members present would give consideration to unanimous consent to allow the bill to go to second reading immediately.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: No.

* * *

PROGRAM COST DECLARATION ACT

Mr. Alex Shepherd (Durham, Lib.) moved for leave to introduce Bill C–332, an act to provide for improved information on the cost of proposed government programs.

He said: Mr. Speaker, this bill, an act to provide for improved information on the cost of proposed government programs, is something that is long overdue in this place.

Basically the bill would provide that any new programs introduced into the House are properly costed beforehand. That costing and the methodologies used therein would be supported by the auditor general. In other words, the auditor general would actually review the costing methods used and certify them as being appropriate. That legislation, wherever it is advertised and promoted, would also include certification by the auditor general and also the actual cost, not only of the total program but also on a per capita basis for all the taxpayers of Canada.

• (1510)

I believe this would give us more control over our financial picture and would certainly give better information to the public on how much these programs cost.

(Motions deemed adopted, bill read the first time and printed.)

* * *

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find consent for the following motion.

I move:

That pursuant to its order of reference dated February 10, 1994, the date for the Standing Committee on the Environment and Sustainable Development to present its report to the House on its review of the Canadian Environmental Protection Act be extended to June 20, 1995.

(Motion agreed to.)

SUBCOMMITTEE ON HIV–AIDS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find unanimous consent for the following motion.

I move:

That the Subcommittee on HIV–AIDS be authorized to send a member of its research staff to the fifth annual conference on HIV–AIDS research, to be held in Winnipeg, Manitoba, June 8 to 11, 1995.

The Deputy Speaker: Is there unanimous consent for the motion just made by the parliamentary secretary?

Some hon. members: Agreed.

An hon. member: No.

The Deputy Speaker: There is not unanimous consent.

PETITIONS

CRIMINAL CODE

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I have in my hand two petitions I would like to table, pursuant to Standing Order 36.

HUMAN RIGHTS

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I have two more petitions I would like to table.

HUMAN RIGHTS

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, I too have some petitions I would like to table today, and with your permission I will read from one of them: "That because the inclusion of sexual orientation in the Canadian Human Rights Act will provide certain groups with special status, rights and privileges; that because these special rights and privileges would be granted solely on the basis of sexual behaviour; that because inclusion will infringe on the historic rights of Canadians, such as the freedom of religion, conscience, expression and association; therefore your petitioners call on Parliament to oppose any amendment to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provides for the inclusion of the phrase sexual orientation".

GUN CONTROL

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, with your indulgence I will table petitions from my constituents on gun control: "That the proposed amendments to the firearms control legislation by Justice Minister Rock are unduly harsh and will waste dwindling financial resources while attacking the rights of law–abiding citizens; therefore your petitioners request that Parliament separate these two issues, proceed to strengthen the borders and strengthen measures to deal with criminal firearms but not proceed with the proposed enhanced controls on legal ownership of firearms".

[*Translation*]

HUMAN RIGHTS

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, I would like to present a petition in due form under House regulations which was signed by 83 citizens.

The petition reads as follows: We, the undersigned residents of Canada, would like to draw to the House's attention the following: That some hon. members recently made hateful statements which contribute to the climate of intolerance, fear and violence in which lesbians, gays and bisexuals live; that more than 80 per cent of all Canadians feel that gays, lesbians and bisexuals are the victims of discrimination and that many gays and lesbians are harassed, beaten and even killed in the violent expression of that discrimination.

The petitioners also note that the Canadian Charter of Rights and Freedoms guarantees all people the right to protection against discrimination, including, as recognized by the Government of Canada, discrimination based on sexual orientation; that the courts have ordered that we consider that the Canadian Human Rights Act prohibits discrimination founded on sexual orientation; and that this act should be amended to clearly show all Canadians that Parliament is truly in favour of equality for one and for all.

• (1515)

Consequently, the petitioners would have Parliament amend the Canadian Human Rights Act in order to protect people from discrimination based on sexual orientation. I would like to add that this would bring the rest of Canada up to par with Quebec, which took that step back in 1978.

[*English*]

VIOLENT OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise to present another petition in the course of action that has been undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

The petitioners are from all over Alberta and are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law-abiding citizens and the families of the victims of convicted murders.

HUMAN RIGHTS

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I am pleased to rise today to present a petition signed by constituents of Annapolis Valley—Hants.

The petitioners call on Parliament to put an end to discriminatory treatment in Canada by amending the human rights act to prohibit discrimination based on sexual orientation.

GUN CONTROL

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am pleased to present a petition from a large number of my constituents on Bill C-68 respecting firearms.

The petitioners believe that the legislation does not put enough emphasis on controlling those who illegally use firearms, whereas it puts too many controls on individuals who legally use firearms. In particular, the petitioners do not believe it is appropriate to introduce mandatory and universal registration.

ASSISTED SUICIDE

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I am pleased to present some 500 signatures of petitioners who pray that Parliament will ensure that the present provisions of the Criminal Code prohibiting assisted suicide are enforced vigorously, and that Parliament will make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

VIOLENT OFFENDERS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I am pleased to present a petition on behalf of a number of people who point out that women and children are becoming increasingly fearful of walking on our streets and in our neighbourhoods. The petitioners believe that many violent sex offenders are being paroled prematurely and are being released without proper treatment and rehabilitation.

They simply ask the Minister of Justice to take whatever steps are necessary to amend Canada's Criminal Code and parole system to ensure that safety and peace are returned to our neighbourhoods.

GUN CONTROL

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, I rise to present a petition with respect to Bill C-68 that is signed by many members of my constituency.

The petitioners state that the proposed gun control legislation by the federal government is not directed at the criminals causing unrest but rather at innocent sportsmen, hunters and gun collectors, and that the problem with criminals using illegal guns for crime is a critical issue that must be addressed, especially in Canada's large urban centres.

Therefore the petitioners request that the current proposed federal gun measures be withdrawn and that they be replaced with measures that deal directly with criminal offenders.

YOUNG OFFENDERS ACT

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, I have the pleasure to present two petitions to the House today. The first one deals with the Young Offenders Act.

The petitioners recognize the serious flaws within the Young Offenders Act. They call on the Government of Canada to make some serious changes to the act, including the lowering of the age limits which define a young offender to include children between the ages of 10 and 15.

They also call on the government to amend the act to allow for the publication of the names of young offenders after a second indictable offence.

CRIMINAL CODE

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, the second petition deals with section 745 of the Criminal Code which allows those convicted of first degree murder to apply to a court to have their parole ineligibility reduced to 15 years.

My private member's bill that would repeal the section is presently before committee. Nonetheless I am pleased to present the petition today.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36 I wish to present a petition which has been circulating across Canada. It has been signed by a number of petitioners from Calgary, Alberta.

• (1520)

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home to preschool children, the disabled, the chronically ill and the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the disabled, the chronically ill and the aged.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I rise on a point of order to ask the government House leader when I can expect to receive an answer to Question No. 137 which has been on the Order Paper since February 6, 1995.

I requested an answer from the government within 45 days. As of today, 121 days have passed. I have been more than patient. I have asked for the number of staff involved and the total cost of administering the current firearms control legislation.

It is absolutely vital that we have this information before report stage debate in the House.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am sure the hon. member appreciates the difficulty in obtaining information such as he has requested when the information no doubt has to be acquired from sources across the country.

I know the government officials working on this answer have been working on it diligently ever since the hon. member put it

on the Order Paper. I have every confidence I will be in a position to provide an answer to the hon. member soon.

The Deputy Speaker: Are members agreeable to letting the other questions stand?

Mr. Breitkreuz (Yorkton—Melville): I need the information by Thursday.

The Deputy Speaker: I am sure the parliamentary secretary heard that.

Mr. Milliken: Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—MAIN ESTIMATES

The House proceeded to the consideration of motions for concurrence in the Main Estimates for the fiscal year ending March 31, 1996.

The Deputy Speaker: Today being the final allotted day for the supply period ending March 31, 1996, the House will proceed as usual to the consideration and passage of a supply bill.

In view of the recent practices, do the hon. members agree that this bill be now distributed?

Some hon. members: Agreed.

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

Motion No. 1

That Vote 10, in the amount of $1,329,481,000 under Human Resources Development—Employment and Immigration—Employment and Insurance Program—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

He said: Mr. Speaker, while it is normal practice that I would remain after my remarks on the matter to hear the initial

presentation of the opposition, another meeting requires that I leave after I make my presentation and answer questions and comments.

I will initially speak to the notice of opposition to Motion No. 1 as placed by the hon. member for Mercier and will deal with the substance of the expenditure recommended in the main estimates on that item. Also in the course of my remarks I will get into some general comments about the estimates.

We have 59 opposed motions with respect to the estimates today that we will have completed by ten o'clock this evening.

• (1525)

With respect to Motion No. 1 which deals with vote 10 in the amount of approximately $1.3 billion for the Department of Human Resources Development, this specifically being for employment and insurance program grants and contributions, I would ask that this allocation be concurred in.

Most members of the House will support the view that the employment and insurance program is one of the key elements in the federal government's social and economic development efforts. The program is comprised of three major activities: employment, unemployment insurance, and Canada employment centre management and joint services.

In the fiscal year 1995–96 it will be a transition year for the program as the department completes the integration of various components that came together with the creation of the new department.

The employment and insurance program develops and supports productive utilization of labour market resources in Canada while respecting the principles of equity in employment and ensuring the protection of public funds to promote the effective and efficient functioning of the Canadian labour market.

The main goal of the employment activity is to provide Canada's social security system with the capability to help people get back to work and the dignity that work brings to Canadians.

The activities and overall orientation have been redesigned to accommodate such tasks as increased focus on youth along with offers of increased planning and management responsibilities made to provinces and territories.

The objective of the unemployment insurance activity is to promote economic growth and flexibility by providing temporary income support to unemployed workers who qualify for benefits under the Unemployment Insurance Act without placing an unnecessary burden on individuals, on groups or on regions of the country.

The vote affected by the motion before us is in the federal government's main vehicle for delivery of employment development services to Canadians who are out of work and not eligible for the unemployment insurance benefits of development youth initiatives.

The federal government payments from this vote will be used to assist Atlantic fishermen. They will be used to assist youth, aboriginals and other Canadians seeking to improve their job readiness and to enhance their ability to secure steady and productive employment.

Specifically the payments in the hands of the recipients are directed toward self–employment assistance, mobility assistance, job training and income support while awaiting training or not.

Funding provided from the vote represents the federal government's commitment to its belief that it has a role in manpower training within Canada and its efforts to work closely with provinces and territories to eliminate overlap and duplication in the area of manpower training.

I should like at this point to turn to some more general reasons as to why we should have the support of the House with respect to the main estimates for the current fiscal year, which I initially tabled in the House on February 28.

[*Translation*]

The main point I want to make is that Canadians want an efficient, responsible, and affordable government.

[*English*]

The 1995–96 main estimates help deliver just that by reinforcing the approach taken in the February budget to reduce spending and to reshape the role of the federal government.

Canadians support the budget in part because it is aimed at refocusing government on the key priorities and key needs of Canadians. It is about getting government right.

The estimates lay out planned spending department by department, program by program. They reflect tough choices on spending on programs the government has had to make to meet its fiscal targets, to get its fiscal house in order.

The main estimates detail in 80 separate volumes $164.2 billion in total planned budgetary expenditures for this fiscal year. This includes $116.2 billion under existing legislation and $48 billion in expenditures for which we are seeking parliamentary authority.

• (1530)

Why should we have members' approval for these expenditures? Because we have acted decisively to reduce the size of government as a result of the budget review process. Because we have rationalized the activities and programs we should deliver

and those that should be delivered by other levels of government or perhaps by the private sector or through partnerships. Because we must deliver quality services to Canadians that they need and quality services that they can afford.

Altogether, the estimates include $2.3 billion of the total $4.1 billion in expenditure reductions announced in the budget. They could not reflect the impact of legislative proposals to cut spending. They must indicate the reality of legislation that exists at that particular point in time. Nor do they include all the revenues to come from new cost recovery initiatives. As they are fleshed out and as they are further developed then of course they will become part of the process.

Nevertheless, they give a very good description of the government's expenditure plans and priorities. Canadians want affordable government. Canadians want us to deal with priorities. Canadians want us to provide efficient and effective programs.

Program review looked at our program expenditures and our services. That process has helped us to bring the size of government down by almost 20 per cent over the next three year period.

I would like to talk about how we carried out this review which was innovative and required a change in the approach by ministers and departments. I believe it has proven to this point to be very effective. We asked departments to review every one of their programs and activities and to check them against a series of tests. Members may have heard of the tests before but I think they bear repeating.

Some of the questions were what is the department's key role? What are the services that must be provided to people to here and abroad? What must be done by the federal government that cannot be done better by another level of government or perhaps by the private sector? Of the services that should continue to be provided by the federal government, which ones are being carried out efficiently and which ones are affordable?

As a result of program review and these various tests, we were able to collectively make the difficult decisions that were set out in the February budget. By 1997–98, in three years, departmental spending subject to the program review will decline by some 19 per cent relevant to the 1994–95 fiscal year.

Looking at this from a departmental perspective, each department has had to pinpoint areas best served by the private sector or other levels of government. The departments have had to focus on their key responsibilities to decide what businesses they are in and what they can no longer afford to provide. They are examining how technology can make their operations more efficient. I believe that technology can be an enabler to help our public service in the provision of more effective services.

We are moving away from direct subsidies to business and putting more emphasis on repayable contributions. Departments are moving ahead on ways to recover costs of certain government services from those who benefit most directly. They are also merging similar types of programs to create greater efficiency.

I mentioned earlier that we want to deliver effective and responsible government that Canadians can afford. The expenditure management system will help us to do that. The revamped system which I announced in February of this year will help departments manage within available resources. It requires them to review their programs and spending continuously and to reallocate resources to meet changing priorities, not further adding to the tax burden.

The system we have put in place will help the government make responsible spending decisions by delivering the programs and services that Canadians need and that Canadians can afford. It also promotes a business planning approach that allows departments to focus on making changes to programs and lines of business to meet budget targets. It also provides flexibility to ministers and departments to help them manage within approved resources. The system will also help establish a more effective way of accounting for program results.

• (1535)

Performance measurements. It will do so by requiring the government to deliver better and more timely information on program performance to Parliament. We are making the system far more results oriented.

This spring for the first time reports called "Departmental Outlooks" are providing parliamentary committees with information on the future year expenditure plans and priorities of departments. Very clearly this is bringing all members of Parliament into the process far beyond what has been the case up until this government took office.

[*Translation*]

This report provides committee members with the context for consideration of the Main Estimates.

[*English*]

As this is the first year for the outlooks, I am looking forward to seeing how the committees put the new information to use. My understanding is the reports are being well received by committee members and have been discussed as part of this year's review of the estimates.

I am aware that at least one hon. member opposite has questioned why the dollar figures for the main estimates I tabled on February 28 are not identical to those announced by the hon.

Minister of Finance in the February budget. I will he happy to explain that for the benefit of hon. members opposite.

As I mentioned earlier, the main estimates cannot incorporate any budget measures that require the legislative approval of the House. Likewise, the budget includes planned spending for which Parliament's authority will be sought later this year in supplementary estimates, once program details are fully developed and approved. Also, some budget decisions were made too late to be reflected in the estimates documents that had to go to press. Members will know that the estimates were filed the day after the budget was presented in the House.

These are only three examples of the many technical reasons that the estimates and the budget figures differ, as they do every year. This is a normal situation because of the legislative restrictions.

I want to assure hon. members that we have the internal controls under the authority of the Financial Administration Act needed to achieve the full savings announced in the budget. The information hon. members are seeking will be set out in the public accounts. This report and not the estimates is where members can expect to reconcile the planned expenditures laid out in the budget with actual departmental expenditures.

Reducing the public service was not an objective of program review. It soon became clear however that changes of this scope would require reductions in the size of the federal workforce. As a result, we developed a program of options to help departments deal with the planned reductions and to help affected employees make a successful transition from the public sector. We intend to treat all of our employees fairly and reasonably.

These options include the early retirement incentive and the early departure incentive programs. Our goal in introducing these and other transition measures, for example training and counselling measures, is to be fair to the taxpayer as well as to the affected federal employees. I believe that the programs we have put in place to carry out the downsizing have balanced these objectives.

I am enthusiastic about the prospects of a smaller, more effective and more affordable government. I believe we can develop a government and a public service that will have a greater sense of satisfaction for employees, for the customers they serve and for the taxpayers that we all serve.

I suggest that members of the House should support our request for full supply in the 1995–96 estimates because the estimates reflect strong decisive action that meets our fiscal targets. They prove our commitment to being fiscally responsible by providing quality services to Canadians that Canadians need and that Canadians can afford.

• (1540)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the hon. member's speech has given me further incentive to voice my objections to the vote in the amount of $1,329,481,000 under Employment Insurance Program, money that is part of the Human Resources Investment Fund, since the hon. member just said that these estimates were the result of a program review by the federal government and concluded that they represented the most effective use of these moneys for all Canadians.

It would be appropriate to say at this point that, on all these policies for manpower and employment development, embodied in the estimates before the House today, in Quebec at least there is a consensus. The people of Quebec, through its representatives, wants these policies to be the responsibility of Quebec.

When we held our hearings on social programs reform, we heard the Association des manufacturiers du Québec—this was in December 1994—say the following in its presentation: "Such measures mainly involve vocational training programs, apprenticeship programs, direct job creation programs and work force adjustment programs". The Association des manufacturiers du Québec made it clear that these proactive measures should be the responsibility of the provincial government, in their comments on patriating federal budgets for manpower development to Quebec.

The labour unions were just as emphatic. They said that by initiating this debate on social programs reform, the government confirmed their apprehensions about the constitutional aspect, in other words, the present team in Ottawa was led by a consuming desire to make Canada a strongly centralized country. This objective, which was apparent throughout Minister Axworthy's Green Paper, was diametrically opposed to the reigning consensus in Quebec and, contrary to the designs of the federal government, members of the CEQ, the CSN and the FTQ firmly believed that only full and complete recovery by the Government of Quebec of control over all economic, social and cultural instruments would create an environment that was conducive to developing the full potential of Quebec society.

After these comments by the Association des manufacturiers du Québec and the labour unions, I need hardly recall that this abiding desire to control manpower training and, even more so, job development and job readiness training, has been manifest throughout Quebec's history. When the minister tells us that these estimates are the best expression of the effectiveness of the decisions that Ottawa can make, I would like to say, with respect, that as far as Quebec is concerned, he is wrong.

The G–7 summit, soon to convene in Halifax, confirms the apprehensions of Quebec about the central government's desire for further centralization.

[*English*]

Mr. Williams: On a point of order, Mr. Speaker, it seems to me that the hon. member is engaging in debate and this is actually the time for questions and comments. We are not all going to get a chance to question the President of the Treasury Board. Therefore, I ask that she limit her remarks to comments on his speech and a question.

• (1545)

The Deputy Speaker: I do not think the hon. member was in the House when I asked if there were any questions or comments. At that time nobody rose so we went to debate. The hon. member is now speaking on debate.

Mr. Williams: I apologize if I missed that, Mr. Speaker.

[*Translation*]

Mrs. Lalonde: Unfortunately, Mr. Speaker, my hon. colleague cannot give me back my momentum.

The G–7 meeting in Halifax confirms our fear that the federal government intands to centralize further. The G–7, which includes the word's most industrialized nations, is concerned about education and job development. We understand this to be the current trend of centralized countries, and this is why we feel these votes must be controlled. The reason for our speaking out against the votes this afternoon is to say, in the only way this Parliament allows and on the budget, what we could not say during consideration of Bill C–76, which is that, as far as Quebec is concerned, at least, others may agree, the votes available should be transferred to Quebec as tax credits.

Why? For greater efficiency. The Conseil du patronat and the labour congresses are saying what they are saying, simply because Quebecers are a distinct people and Quebec is a distinct society with its own approach to its development. Its labour market is also distinct. And in the case of this measure, the only way to ensure efficient use of the rare public funds available for employment training, skills development and job development, the various job readiness programs is for them to be integrated. The key word is "integration".

The Standing Committee on Human Resources Development was concerned about integration for Canada as a whole. I think integration is what they are after and I can understand why, for the rest of Canada, it would be considered efficient to run it out of Ottawa. I respect this decision, because it is historically based. I submit, however, that differences in labour markets will mean integration will have to take these differences into account. In the case of Quebec, however, efficiency dictates the integration of all programs.

Last week's women's march evocatively known as the "bread and roses" march illustrated the need for integrated employment training policies. Why? The clientele of job development or job readiness program training are either welfare recipients or people who have never had benefits of any sort—women who have been at home and have to join the labour force, young people and people receiving UI benefits. The clientele is varied and, with the unresolved jurisdiction problem, we feel the only solution is for Quebec to have full control, even though elsewhere in Canada Ottawa has full control.

• (1550)

The only way to be effective and to ensure this integration, to provide these people with the services that they need, whether they are welfare recipients or unemployment insurance beneficiaries or whether they never received any benefit, is to have an integrated system. As things now stand, however, that is impossible. Who is paying for this? The hon. members opposite? Us? No, ordinary Canadians, the people who have some needs.

This is why we are saying that there is only one way, in this sector, to be efficient. As federalist Liberal ministers from Quebec have said, we must agree that the manpower development policy must be the responsibility of Quebec and that the necessary funds and tax points be transferred to Quebec.

We are again faced with the problem of people who are falling through the cracks in the system, as we saw with the Carrefour Jeunesse–Emploi program. There were different types of clients, and the minister claimed that he had to put an end to the subsidy. This does not make any sense. Nor does it make any sense that we were not able to put forward an amendment to correct the situation, to have a debate and a vote on this issue. It makes no sense whatsoever that we should constantly have to plead, that we should be unable to control all the government funds to better serve the public.

I must add that within this budget, money going to job stimulation and employability has been reduced. We can question the fact that the money that will help people to get back to work, if it is used as effectively as is claimed, has been reduced. We can question that.

Yet, we can question even more that the money once taken from the consolidated revenue fund is, increasingly, being replaced by money taken from the unemployment insurance account. It is unacceptable to use the unemployment insurance account as a cash cow. It is important to point out that not all workers pay unemployment insurance premiums, but only those whose maximum earnings are $40,000. I will check the figure. Anyone who works extra hours does not pay more that the maximum contribution limit. Therefore, it is in the employer's interest to hire people to work long hours.

Therefore, middle income and upper income workers are the ones who pay unemployment insurance premiums. Companies

with a lot of workers, those that have less equipment and use less technology than others and give work to more people also pay unemployment insurance premiums. Those companies that hire the most people pay the most in unemployment insurance premiums. So, it is the workers and the companies that pay for unemployment insurance.

Is it normal, and we mentioned that in the minority report we issued with the report of the Standing Committee on Human Resources Development, that workers and companies, through the unemployment insurance account, pay more for job stimulation, for employability? The government is drawing more and more on this account, and is withdrawing from contributions to the general fund. It means that workers and companies paying unemployment insurance premiums are doubly hit, doubly penalized.

The whole of society is desperately in need of such jobs—while taxes collected by governments are ever increasing—since a more healthy economy increases the general level of wealth. In addition, it is not the government nor the taxpayers as a whole, but the workers themselves who pay for that.

• (1555)

The minister who, a while ago, made the important point that appropriations do not provide for everything mentioned in the budget, should perhaps answer the following question: When will appropriations and governmental spending reflect the additional $700 million in cuts to unemployment insurance?

As a matter of fact, the government announced in the throne speech that an additional $700 million in cuts or 10 per cent of the total contributions, in cuts would be made to unemployment insurance as of July 1996, which means that the year after, additional cuts will amount to $1.5 billion. We fail to see where the $700 million will come from, in the appropriations. Highly arbitrary decisions will be made without due consideration. We are told that this is the way things are done, but this is not really the right way.

The minister said earlier that the government had to make tough choices. In the case of employment development, which should be a key concern for a government that was elected on a "jobs, jobs, jobs" platform, we see that, on the contrary, the amounts from general funding have been reduced.

Yet, the new human resources investment fund, which is mentioned in the budget speech but does not appear in the estimates and which includes the appropriations I am referring to, has applications that come directly under provincial jurisdiction. According to a discussion paper distributed across Canada as part of the consultations on social program reform, the possibility of using the UI fund in a more flexible way in order to provide Canadians with better employment assistance will be considered.

In my opinion, the government's intention with respect to this human resources investment fund is to use UI reform to fulfil that mandate. What does it say? "Greater emphasis on employment development services". "Greater emphasis" requires more money. "For example, initial needs assessment, counselling services, literacy and basic skills training, on–the–job training and experience, child care services and income supplements". Most of these functions currently come under provincial jurisdiction. It goes on to say, "The Minister of Human Resources Development will define program parameters in the coming months". It is that simple. The minister has full discretion.

• (1600)

The intention reflected in this appropriation, the budget and government action is that, far from being prepared to give back to Quebec what belonged to it in the first place, namely control over job development and manpower as a whole, the central government has set out to dip into the unemployment insurance fund to invest more money directly in areas of provincial jurisdiction.

In our view, this is unacceptable because it goes not only against the very essence of the distinctness, the uniqueness of Quebec as a people and a nation within Canada, but also against the most basic rules of efficiency, that the people of Quebec have been demanding in strong terms.

Let me remind you that those who need this money, these programs the most include, and there may be more, the 342,000 families on welfare and 320,000 jobless people in Quebec.

The sad truth is that, on the contrary, and I want to emphasize this as strongly as possible, this appropriation which, according to the minister, was reviewed on the basis of efficiency reflects a stubborn and deliberate failure to recognize the basic needs of ordinary people. Such an attitude tells many Quebecers that there is no time to lose, the situation has become so urgent that we can no longer afford to come and plead in this place, year after year, for those who are in the greatest need.

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade, Lib.): Mr. Speaker, the hon. member for Mercier referred to the control of manpower training. She mentioned in her speech that she wants that control to be a provincial responsibility.

I have a question for the hon. member. Let us assume for a moment that the responsibility for manpower training is left to the provinces. Here, in the national capital region, over 30,000 people come from Quebec to work in Ontario, and vice versa. We often see the need for national standards on training provided to employees. Would the hon. member agree to the development of national standards by all the provinces working together?

Workers in Quebec could decide to work in Alberta, or vice versa, since they would all have received the same training. This would promote manpower mobility from province to province.

Would the hon. member agree to the implementation of such standards?

Mrs. Lalonde: Mr. Speaker, that suggestion is very different from what I said in my speech. Quebec wants to control its manpower policy. It will try to harmonize it when it is in the workers' interests to do so, and not just with the rest of Canada, but also with the United States. Many people who work in the U.S. for a while, and then come back home. The same situation exists in Quebec.

• (1605)

We are discussing totally different issues. However, I will say that we would have a better chance of achieving efficiency if—and the other provinces will have to make their own decision in that regard—Quebec controlled manpower and employment development policies, as advocated by the manufacturers' association. It is for reasons of efficiency that we have to be in control. Quebecers cannot agree to any other formula without relinquishing their own identity. It may be that, in the rest of Canada, people do not mind letting the federal government impose standards, but it is just not possible in Quebec.

The sooner Quebec assumes full control of that sector, the sooner we can have efficient and well–thought–out measures which will benefit the public.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, in listening to the hon. Bloc member's comments, reference was made to Quebec and also Canada.

I remind the hon. member that at this time Quebec still is very much a part of Canada. Quite frankly, after the referendum I am quite sure Quebec will be very much a part of Canada. I want Quebec to stay a part of Canada. They want Quebec to stay a part of Canada. I am sure she will be surprised by the vote.

I do not agree with a lot of the comments made by the hon. member for the Bloc. I also do not agree with the way the Liberal Party proposes to operate the unemployment insurance fund and program.

One reason why we have the conflict between Quebec and the federal government is manpower training and funds for job creation programs. If the unemployment insurance program had remained as it was intended, a pure insurance program to provide temporary assistance for workers temporarily between jobs, we would not have all this bickering over the funding for job creation programs coming out of the UIC fund. One way we will solve some of the problems is to return the UIC program to a pure insurance fund, giving employers and employees the opportunities to make decisions on how it is administered.

Back when politicians had their fingers on the UIC program and decided to use it for job creation programs, historically government job creation programs have never, despite billions of dollars spent on them over the years, created real, long lasting jobs.

The government has to get out of the job creation program and get business back into the job creation program. Real jobs come from private business, jobs that last and that pay well. They do not come from government programs that end when the money has run out.

When the Liberal Party adopts this attitude, when the Bloc members from Quebec, part of Canada, adopt this attitude, maybe we will get the economy going again and there will be jobs and we will not have to worry about income supplements and money for job creation programs.

[*Translation*]

Mrs. Lalonde: Mr. Speaker, dear colleague, first I would like to say that the Bloc Quebecois has been asking again and again in this House for a reduction in the rate for unemployment insurance premiums. I would also like to say that our minority report suggested that initiatives other than the unemployment insurance program should not be paid for with the unemployment insurance funds. We have been asking that employers and workers be given greater control over these funds.

• (1610)

I must say, however, that we believe a number of measures, not all of them but some of them, will effectively help men and women who are temporarily out of work to find a job, by becoming more efficient or by developing new abilities. But we know, and have been saying so repeatedly, that job creation is of the utmost importance.

Having been a history teacher greatly interested in economic and social history, I would like to remind the hon. member that, even if at times there were no standards or regulations or unemployment insurance in the past, it does not mean that there was no unemployment, quite the contrary.

Also, there were periods when there were regulations and standards and when unemployment was lower. I will also remind the House, by the way, and I will conclude with this, that when the President of the United States tried to rally everybody during the Great Depression, he proposed standards, regulations, and salary increases for workers. Thanks to these measures and to the war, of course, there was an economic recovery.

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, today we debate the main estimates of the government. Later on we will vote on the main estimates. I doubt very much we will see any changes in the main estimates and therefore one has to wonder

what on earth we are trying to accomplish by a debate such as this when the government stonewalled at every opportunity to decrease the estimates by even one dollar.

The House will be asked later on today to vote on over $48 billion of spending, which has been reduced by the interim supply passed in April. This represents the new spending requested by the government. The $48 billion is in addition to the $116.2 billion in statutory spending already authorized by previous acts of Parliament. That brings the total spending to $164.2 billion. I always thought we were in an era of deficit reduction, spending reduction, and yet it continues to increase.

In the past the House simply rubber stamped requests for spending by the government. I think in this day and age when we should have deficit reduction, we should have spending reduction, when it is paramount that we insist we get value for every dollar spent by the government, we should take the estimate process seriously.

Not since the 1972–1974 Parliament have we seen any cuts in spending. During the last 21 years governments have completely and absolutely stonewalled any opportunity by the opposition to reduce spending. That is why the spending was out of control over the last number of years.

In 1972 there were two reductions allowed, one for $19,000 from a grant and $1,000 from the president of the CBC's salary because there was a problem with the president at that point. One millionth of 1 per cent reduction was allowed.

Today as we debate the spending of $164.2 billion in expenditures surely in the House and in committees, which have spent many hours this year debating the estimates, examining the estimates, we would have found some reasonable reductions. We feel we have.

• (1615)

These motions have been put on the floor. We will find out whether this government is prepared to listen to this House and the Canadians who pay these taxes. We will see if the government is prepared to make some adjustments. I have my doubts and I have my reservations. However, we must wait and see.

I think it is time the government allowed Parliament to do its job to examine, make recommendations and approve the spending not rubber stamp, approve. Check it out, call the witnesses, listen to the justifications, find out if it is reasonable. That is all we are asking.

We are asked to approve. Therefore we should be entitled to have that type of insight into the estimates. Once we have that, if we find out there is room for reduction then surely it would be the honourable thing for this government to listen to the recommendations of these committees and approve the reductions.

The committees are all deemed to have reported to this House. They have agreed in many instances that the reductions put forth are reasonable, rational, and quite appropriate. What have they done? They defeated the motions. This government again is stonewalling and saying they will not tolerate any reduction in the estimates. It is a farce that has to change.

It is time the government stopped hiding behind this excuse of confidence. We look at history and see that it has been recommended that this confidence be weakened and reduced. There is the McGrath report of 1985, the public accounts committee of 1988, and the House management committee of 1993. Take a look at what they have said over the years.

Remember the rules of the House are largely based on the Parliament in London, England. The McGrath report said that from 1972 to 1979 there were 65 defeats of government measures in the British House, and this was not the end of responsible government. The government did not cease to govern. It was simply forced to modify or abandon some of its policies in deference to the House. That is all we are asking here. Surely that is not too much to ask. The British Parliament has recognized that. When the House speaks and requests a reduction in the expenditures, surely this House, which draws upon the rules and the experience of the House in London, should defer to the wishes of the people who sit here and recognize some reductions.

Recent British experience makes it clear that at present, losing a vote, even on a financial measure, is not automatically a matter of non–confidence entailing either the resignation of the government or the dissolution of the Commons. Remember this is from the contents of the McGrath report that was tabled in this House in June 1985. I am talking about the Canadian perception of what is happening in London, England. I am not just drawing upon their experience specifically.

A minority government of Pierre Trudeau lost 8 of the 81 recorded votes between 1972 and 1974. Setting aside the vote of May 8, 1974, which brought down the government, four of the lost votes were on government bills, two were on motions pertaining to parliamentary committees, and one was on a supply item, specifically on a supplementary estimate of $19,000 for Information Canada.

That is exactly what we are debating today, reductions in supply. In 1974 that reduction in supply was approved and the government did not fall. Yet today the government argues that confidence prevents them from reducing the estimates. We have them speaking out of both sides of their mouths. It was a Liberal government back then that accepted a reduction in supply.

The Liberal government today has promised open, transparent, competent leadership and a balanced budget some time down the road, with a reduction in the deficit to $25 billion in the first three years. That government sits here today and refuses to

accept even one dollar's worth of reduction, even though the Liberal precedent recognizes that it can be done.

• (1620)

The minority government of Lester Pearson lost three votes, again another Liberal government. Two were on appeals on rulings made by the Speaker. The third came on February 19, 1968, and ended with the defeat at third reading of Bill C–193, respecting income tax. This vote was regarded sufficiently serious to require the government to introduce a motion to the effect that the House did not consider its vote of February 19 as a vote of non–confidence in the government. This motion was passed, after debate, on February 28.

When the government loses an important vote, as it did on that vote in 1968, the government does not fall. It went on to introduce a motion of non–confidence and the government survived that vote. That is exactly what the Reform Party proposes as part of opening up the democratic process so that we can have freer and more open votes in the House and we can speak and demonstrate the will of the Canadian people.

If perchance we defeat a motion being proposed by the government, then we do not suggest that the government fall but that it be followed by a vote of non–confidence. If the government survives that vote, then the government shall remain in power. It is fairly simple, fairly clear and it allows this House to do its job.

Instead we make a mockery of democracy. We sit here in committee, we sit here in opposition, and we put forth motions. We debate them in committee and we hear from the government side that these are appropriate, they are reasonable, they are rational, they are legitimate. What happens? The answer is no.

The time has come to change. These are the types of things the Reform Party, as a matter of principle, speaking for Canadians, says. We hear what Canadians are saying. The government side is not prepared to listen. It stays with the old story of stonewalling all the way and saying that it is a matter of confidence when they find that its members agree with us that there are reductions available. Yet nothing is done.

We will see this evening if the government is brave enough to allow Parliament to do its job or if it will hide behind some outdated notion of confidence.

Before us at this time we have a motion prompted by the member for Mercier. It is to eliminate the funding for vote 10 in the human resources department, which is the grants and contributions under the employment and insurance program.

The largest single grant in vote 10 is for $1,049,905,000. That is for payments to facilitate the efficient functioning of the Canadian labour market. It is kind of fuzzy, but there it is. To be more specific, over $1 billion is being spent on payments to provinces, territories, municipalities, and other public bodies, organizations, groups, communities, employers, and individuals—nobody is left out—for the provision of training and/or work experience, the mobilization of community resources and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market.

It is very specific. Nothing was left out. This is a very ambiguous justification for $1 billion on that: broadly based, nobody is excluded, let us spend a billion dollars; anybody can come up with a program; let us approve it. When we talk about trying to create work, create jobs, get people back to work and we are going to spend $1 billion in this fuzzy and unclear way, then surely it is time that we expressed an opinion, that this government listen to it, that we work together in harmony to achieve some real reductions in spending and go on to balance our budget.

• (1625)

In part III of the estimates for Human Resources Development Canada we find that it says "support for the program review exercise by contributing to the deficit reduction and continued negotiations", and so on. That statement goes on to say that the focus is to reduce expenditures. Yet we find out that they are actually going up. These types of things we have called into question.

If the government truly wants to contribute to deficit reduction then it should begin by making some serious reductions in its spending, cuts in the range of 25 per cent to the grants and contributions. Overall, the human resources development that this vote pertains to has spending increases this year from $32.827 billion to $33.547 billion, and that is on top of the statutory spending, which we will not even be voting on today. Vote 10 has increased from $1.281 billion to $1.321 billion.

Also in part III, on page 258, we take a look at the government's real efforts to manage the department and reduce expenditures. On the personnel requirements, when we went through it comparing the actuals from 1993, just before the government took office, to its estimates today for 1995–96, personnel requirements have changed by the massive number of just under 80. The government reduced it from 19,479 to 19,392 people, a reduction of 87 people.

This is where the government is trying to say it will balance the budget in a very short period of time and it will give value for money to Canadians.

We take a look at the personnel requirements and we see that it has taken from the lower salary scales. It has taken 44 people out of clerical and regulatory, where the average salary is $27,000.

It has taken 45 people out of program administration, where the average salary is $41,000. Yet when we move up into the area of economic, sociology, and statistics, where the average salary is over $57,000, we see an increase in numbers. When we take a look at the executive category, where the average salary is $79,000, again we see an increase in numbers.

These are the types of things we questioned in committee. Yet what did we find? Stonewall. It cannot be changed. Why? I do not know why. I ask the government why.

When we take a look at page 258, on goods and services, again we find that comparing the actual 1993–94, where the spending was $264.097 million, it has gone up to $319.997 million, an increase of about $55 million. We ask why. We get the answer from the witnesses and the senior bureaucrats who have come before our committee. We make recommendations. Is this justified? Can that be justified? Is there a good reason for these increases? When we find there is not and we make the recommendations for the cuts, what do we find? They stonewall.

That is why we feel a mockery is made out of the estimates process. That is why this Liberal government, with its commitments to good government, transparency, responsibility, open government, and a clear way to manage this country, has fallen far short of its responsibilities. Its broken promises litter the floor with the way it has taken every promise in the red book, ignored them, and passed them over in favour of what the government would consider pragmatic government.

We are looking for responsible government. We are looking for principled government where the government lives up to what it promises. That surely is not too much to ask. That is why we are saying confidence on the estimates must go. If the government feels threatened by a defeat on any particular motion then let it be followed by a motion of non–confidence. If it survives that non–confidence, then there is no threat.

• (1630)

If we could introduce that as a matter of policy then the opposition and the government could work together to ensure that the Canadian taxpayer gets value for money on the $165 billion that we spend on their behalf. This is what we are asking for and it is what Canadians expect.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I was somewhat surprised to hear the hon. member attacking the public service of Canada when we know we have one of the finest public services in the world. I do not think taking a cheap shot at them was really called for in terms of what they are contributing or what they earn.

I will quickly move on to make the point that this government did something that was unprecedented when it opened up the process. It is the first time in the history of this country that a government has done a preconsultation on the budget.

I was elected on a set of promises that my party made during the last election. When I run I run as a member of the Liberal Party. To that extent, my responsibility is to vote with the party at least on the issues my party ran on during the election. For me to do otherwise is unfair.

At the same time, I have mixed feelings about having this open for every member of Parliament to vote the way he or she likes. If we are going to do that, then the government no matter which party it is in the future, will have to spend the vast majority of its time lobbying individual members of Parliament so they will vote for it. The reality is that the responsibility of a government is to carry through on what it promises the people during an election period.

How many times has the hon. member stood and voted against his party? During this past one and a half years we have seen the Reform Party day in and day out voting as a block. I am not saying that is wrong, but how often has the hon. member voted independently?

Mr. Williams: Mr. Speaker, first, I did not take any cheap shots at the civil service. I just mentioned the pay scales. I pointed out that the government seemed to be protecting those at the top while cutting those at the bottom which I do not think is fair.

I want to respond to the hon. member's main point where he said that he felt his job as a member of Parliament was to stand by the platform on which he was elected. On page 20 of the red book, the Liberals promised to reduce the professional and special services budget of the government by 15 per cent. He may read this on page 20 of the red book if he has not read it already. I presume he has not since he is standing here today saying he stands by the policies he ran on at election time.

The professional and special services budget has increased by $136 million. If the member is going to say that he stands by the platform on which he was elected, he will vote against the motion that approves this $136 million because two seconds ago he said it was the platform by which he sits on that side of the House.

The whole thing we are trying to point out is that Liberal broken promises are littered all over the floor. This is another one which was just repeated by the member over there.

My final point is that on several occasions members of the Reform Party have voted against the block of the Reform Party which totally defeats the point he made earlier on.

Mr. Strahl: Without any disciplinary measures.

Mr. Williams: Without any disciplinary action whatsoever.

Today, a longstanding member of the Liberal Party, a former member of the cabinet, has been turfed out of the chairmanship of the justice committee because yesterday he voted against the government. We have seen they will not tolerate it on that side of the House which is a disgrace.

• (1635)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I was interested in what the hon. member for the Reform Party had to say about a particular issue. Why is it impossible to change things? I think the human resources investment fund is a good example.

I think the federal government, probably because of the power of the bureaucrats and also the impression that Ottawa can solve all Canada's problems for Canadians across the country and that it knows all the answers, this attitude, in the case of the human resources investment fund, means that the federal government will go on spending vast amounts of money but in addition, as in this particular case, it will be other people's money, because the money in the Unemployment Insurance Fund is provided by employers and employees. There is no government money in that fund. The federal government uses the fund to intervene in areas under provincial jurisdiction, especially education and manpower training. So when a member of this House wonders why change is impossible, one reason is that the federal government refuses to respect these jurisdictions and thus control its spending.

Now I realize that the Reform Party says we are separatists and do not want to go on being part of Canada, but even from a federalist perspective, would the hon. member not agree that in the case of the human resources investment fund, the government is committing fraud? Because if the money paid into the fund by employers and employees were not used in the human resources investment fund, do you know what we could do? We could gradually reduce employee and employer premiums so that the money, instead of getting lost in bureaucratic channels would go directly into the economy to create the jobs this society so badly needs and the present government has failed to create. What does the member for the Reform Party think of this approach?

[*English*]

Mr. Williams: Mr. Speaker, in response to the member's question, of course the federal government can spend money as it sees fit.

As a member of the opposition side, when I look at my colleagues from the Bloc Quebecois on my right, yes they are separatists. As far as I am aware, they always will be as long as they call themselves the Bloc Quebecois and are committed to the breakup of the country.

The point Bloc members have been trying to make is that they want control over the money. It makes absolutely no sense whatsoever for anybody to think that the panacea of the breakup of the country is going to create jobs. It will do the exact opposite.

Separation of the country will cause unemployment to rise. If Bloc members were interested in helping the people who elected them to this place, they would be working to create employment, to reduce uncertainty, to create an economic climate where people could get work.

When I talk to people in the province of Quebec they seem to be the same as the people I talk to in the province of Alberta. They are concerned about mortgages, houses, careers, their kids and their future. Nobody I talked to was concerned about separation, other than the detrimental effects it will have on their futures. There may be a future of high taxation and low opportunity created through the concept the Bloc is trying to achieve.

Now we see that Bloc members have become totally unprincipled in the fact that they have watered down their separation message by saying: "Please vote for us. We want to separate if we can get some kind of economic association with Canada". I suggest that they put their shoulders to the wheel and join with all Canadians in recognizing that we have a responsibility to all Canadians from coast to coast to provide them with a future, secure housing, education and to provide them with the things they want. I can assure the member, separation is not one of them.

• (1640)

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I am pleased to speak to the matter of full supply of the estimates for fiscal year 1995–96. This year the main estimates total $164.2 billion of which the government is seeking parliamentary approval for $48 billion and new spending authority. The balance of $116.2 billion represents statutory payments which have already received parliamentary approval.

The main estimates incorporate $2.3 billion worth of the $3.4 billion of 1995–96 expenditure reduction measures achieved through the government's program review. The comprehensive review was undertaken last fall to identify the federal government's core roles and responsibilities and to reallocate resources to priority areas in order to provide effective affordable government.

[*Translation*]

This program review was much more extensive than any previous across-the-board expenditure reduction initiative; every department was reviewed. As a result, all sorts of spending

cuts and resources adjustments were decided, as evidenced by Mr. Martin's budget for 1995.

It all goes to show that the government is committed to cutting expenditures, streamlining operations and making drastic changes in terms of program availability and delivery. In a word, we are determined to redesign the federal administration.

[*English*]

Beyond the program review savings, measures already included in the main estimates are cost recovery measures which will generate new non–tax revenues, initiatives which require prior legislative approval, and other changes announced in the 1995 budget which simply were not finalized on time for inclusion in these estimates. In the latter cases the savings will be achieved through the lapsing of appropriated funds.

Let me give some examples of the types of changes resulting from the program review exercise. Government departments will focus on their core responsibilities. Federal and provincial overlap will be reduced, which is something a number of people have been asking for. Technological improvements will create efficiency gains. Costs of services will be recovered by new or increased fees charged to those who directly benefit from the services. Where feasible, similar programs will be merged to improve efficiency.

[*Translation*]

By concentrating our efforts in key areas of responsibility and improving program delivery patterns, we will be able to carry out the most significant downsizing of the federal public service since World War II.

If and when all the decisions made following the program review are implemented, the public service workforce could be reduced by as many as 45,000 positions over the next three years.

The President of the Treasury Board has prepared a set of options to ease the transition for affected employees as part of a program that is fair both to the people involved and to Canadian taxpayers.

[*English*]

The bottom line is that these main estimates are $3.5 billion higher than those for 1994–95. However, as I just explained, some of the increase is actually overstated due to the program review savings not yet incorporated into these figures. Even so, at first glance any increase seems inconsistent with our major expenditure reduction efforts.

It must be noted though that the bottom line change is principally the result of an $8.5 billion increase in public debt charges, to $49.5 billion. The rising interest and servicing costs on the debt more than outweigh the significant savings achieved through the program review and previous expenditure reduction measures. This underscores our acknowledged need to live within our means and the need for continuing deficit reduction aimed at moving us in the direction of declining debt charges.

• (1645)

Program spending excluding public debt charges is $114.4 billion or $7 billion less than the 1994–95 estimates level. This is an important figure. By 1996–97 the impact of the program review savings will result in a decrease of 10.8 per cent relative to the 1994–95 level. By 1997–98 that decrease will amount to an impressive 19 per cent reduction in program spending.

[*Translation*]

Public debt charges come under statutory spending, that is to say expenditures already approved by Parliament. Statutory spending for fiscal year 1995–96 amounts to $166.2 billion, or approximately 71 per cent of the main estimates. This is a $4 billion increase over the 1994–95 main estimates. Besides public debt charges, statutory spending also includes the main transfer payments to Canadians for old age security, the guaranteed income supplement, spouse's allowance and unemployment insurance.

[*English*]

In addition, statutory spending includes federal transfers to the provinces under the fiscal equalization program, the Canada assistance program and established programs financing, providing assistance to Canadians for health care, post–secondary education and social assistance.

Established programs financing assistance to the provinces and territories takes two forms: cash transfers of about $9.1 billion form part of these main estimates. Beyond that amount a further $12.6 billion worth of tax transfers do not appear in the main estimates.

The total consolidated budgetary main estimates, both statutory and voted, of $164.2 billion can be categorized into 11 sectors. Of these, spending in three sectors comprise over 76 per cent of the total estimates: social programs excluding the federal contribution to provincial and territorial social spending account for 30.6 per cent, public debt charges amount to 30.2 per cent, fiscal arrangements with the provinces and territories represent a further 16 per cent of the total. The balance or about 24 per cent is spread between defence, general government services, natural resource based programs, foreign affairs and international assistance, industrial, regional and scientific technological support, justice and legal programs, heritage and culture and the transportation sector.

Social programs comprise the largest area of federal spending at $50.2 billion in 1995–96. This does not include an additional

$16.4 billion in major cash transfers to the provinces and territories for social purposes.

The objectives of the social programs are to promote the health and well–being of Canadians and to foster equality of access by all Canadians to the benefit of Canadian society. Benefits and services are directed at those most in need through a broad range of assistance programs. These encompass employment, health, housing and other initiatives which benefit aboriginal peoples, veterans, senior citizens, children, immigrants and the unemployed.

[*Translation*]

Generally speaking, the program review helped strengthen the primary mandate of the departments responsible for social programs, including Indian Affairs and Northern Development, Health, Human Resources Development, Citizenship and Immigration, as well as Veterans Affairs.

Reducing spending in priority social programs, a large number of which are closely related to the population increase, is a particularly difficult challenge.

These departments will have to pay greater attention to the streamlining of their operations, in order to function with reduced resources. This means that, more than ever before, social benefits and services will have to be provided to those Canadians who need them the most.

• (1650)

A larger proportion of the costs related to these benefits and services will also be recovered from users who benefit directly from them.

[*English*]

Similar approaches are reflected in all program expenditure sectors within these estimates. For example, natural resource based programs in the 1995 main estimates are $463 million lower than in 1994–95. The departments of agriculture, environment, fisheries and oceans and natural resources have redefined their core mandates in areas of expertise. More emphasis will be placed on the strategic use of public funds to promote sustainable development, enhance Canadian competitiveness and rationalize and recover costs.

The transportation sector estimates show a $329 million decrease, as Transport Canada moves from direct involvement in transportation operations to focus on its core roles of developing policy and legislation, and setting and enforcing safety and security standards. Reduced subsidies paid by or to the transportation crown corporations and agencies also lead to significant expenditure reduction in this sector.

[*Translation*]

The streamlining of our operations, combined with the greater efficiency achieved through technology, has resulted in savings of $209 million in general government services.

[*English*]

The main estimates also mark the implementation of a new expenditure manager system, one which reflects the government's commitment to funding new requirements by reallocating existing resources. The system will necessitate an ongoing evaluation of priorities, both within departments and government wide, and will lead to more informed spending decisions. Centrally funded policy reserves to support new initiatives have been eliminated.

[*Translation*]

The operating reserve managed by Treasury Board has significantly diminished, and its role has also changed. Traditionally, the reserve was used as an emergency fund to cover additional expenditures related to existing programs. Under the new expenditure management system, the operating reserve will, in most cases, fulfill the role of a banking institution.

Its main responsibility will be to provide additional financing for projects which have a significant impact in terms of productivity.

[*English*]

Departmental business plans will focus on strategic changes to programs and lines of business while the related outlook documents, a new initiative, will enhance parliamentary review of estimates and future year expenditures with emphasis on performance.

It is recognized that effective management within a fixed level of resources presents a challenge to ministers and departments. In that context, treasury board is examining ways to enhance managerial flexibility and to support reallocation efforts.

[*Translation*]

The 1995–96 main estimates, along with the related initiatives which I described today, clearly show that the government has taken a new direction as regards expenditure management.

[*English*]

Canadians have responded favourably to the changes put forward in the budget. They recognize that tough choices had to be made, that real change is necessary in order to implement the jobs and growth agenda and to get the country back on track. This year's estimates confirm that those changes have begun.

As I listen to the comments that have been made concerning the government's budget and the ensuring activity, I hear mostly favourable comments directed at the government. The Canadian

people recognize it is easy to cut. But at the end of each cut is a victim, someone who is going to suffer as a result of the decision.

Surely the government must be doing things right. The official opposition suggests that we should not cut, we should be spending more. The third party suggests that we should have cut even more dramatically, recognizing fully that a lot of people have suffered as a result of budgetary decisions.

• (1655)

Canadians understand you must go at this kind of exercise gradually. They want this kind of government. They do not want their co–citizens to suffer unduly.

If anyone is going to be fair minded about the budget and the ensuing activity, he or she will need to acknowledge that the government has taken an important first step at addressing the question of the deficit and the debt, at creating long term, well remunerated employment for Canadians and at addressing the whole issue of social programs that Canadians want for those who need them.

[*Translation*]

As I indicated, the government has taken a very important first step.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, we listened to the hon. member articulate in his presentation numerous statistics, figures, rationale, justification for the Liberal Party's budget, a budget that fails miserably in meeting what this country needs.

The average Canadian trying to support a family is interested in only one thing. When on earth will there be some tax relief? The Liberals presented a budget that is to add another $100 billion to the debt. It is to add another $10 billion in interest paid on the debt. At the end of three years, according to their figures which are not exactly believable they will still end up with a $25 billion deficit.

I would like the hon. member to tell me how he explains to a pulp mill worker in Prince George, B.C. who is paying in excess of 60 per cent of his gross income in taxes of all forms, how a budget like this, a budget that is to increase the debt, that is to increase the interest on the debt that must be paid out of taxes, can expect in the near future to have more disposable income in his pocket so that he can provide for his family.

Also, I would like the hon. member to explain to me and to the corporations and private business in Canada how the Liberal government appreciates the role they play when in the budget it increases corporate taxes. They are the ones who create real, long lasting, good paying jobs. How is he to explain to them that the Liberal government is on their side and that their government wants them to provide more jobs, expand and invest in the country when there is no certainty whatsoever in the taxation levels that corporate Canada is to pay?

At the same time that the hon. member is rationalizing all the plans of the Liberal budget, how will he explain to Canadians the 1.5 cent a litre gasoline tax that affects everyone in the country whether they are private citizens or corporations that rely on the transfer of freight or vehicles running, flying in the air, taking trains? How will he explain that the government had to raise gasoline and fuel taxes by 1.5 cents a litre?

The average citizen is interested in only one thing. When will my taxes be brought down? When will overspending in the annual budget stop? The figures that the member just quoted might be for our benefit because we have access to all the details in the budget but the average Canadian citizen is not blessed with having all the details.

They are asking only the one question. I would like the hon. member to tell me how he is going to answer the average Canadian taxpaying citizen.

• (1700)

Mr. Duhamel: Mr. Speaker, there are a number of questions and I will attempt to answer them all.

It is true taxes are quite high. It is also true that in the foreseeable future as a result of a debt that was more than doubled by the previous government, a debt we will have to continue.

Let us look at figures. When the previous government came into power the debt was roughly $179 billion. That is the figure from the auditor general. When this government came into power it was almost three times as much. Let us put it in perspective.

That is one of the reasons the Reform Party will never get anywhere. It does not understand the big picture. It exaggerates. I am surprised that my colleague did not mention we are now spending $7 billion less than in the 1994–95 estimates. I am surprised my colleague did not mention that as a result of the program review, a rational review to make sure government was doing what it ought to be doing, we have saved $3.4 billion.

How I wish I had more time. I have a series of quotes, because I had anticipated the question from one of my Reform colleagues, applauding the Liberal budget, recognizing nothing is perfect. I have other quotes and I tried to find one positive one about the Reform budget in which the figures did not add up.I could not find one positive quote.

I find it very difficult to have a member of the Reform Party telling us we do not have it right when the majority of Canadians

think we are doing it right. It does not mean it cannot be improved but we have started in the right direction.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I have a brief question, one that needs to be answered very honestly.

He said the total budgetary requirement for the government is some $164 billion this year, an increase of $2 billion over last year. We need to commend the government for spending less than it could have, possibly less than governments of previous years would have spent. However, while we are experiencing all the cuts in the estimates we are debating today, we are spending more because of our huge interest payments. Those interest payments are growing every year because we are still borrowing.

I ask the member whether he acknowledges at all and if so to what degree that there is urgency in balancing the budget so hopefully we do not totally go down the tube. As has already been mentioned, the three year budgetary plan of the government adds $100 billion to the present $550 billion debt.

Mr. Duhamel: Mr. Speaker, in my enthusiasm in responding to the previous questioner I made a reference to the debt being $179 million and it should have been $179 billion. I apologize if that slipped out the wrong way. I do know the difference. There are 1,000 millions in a billion. I know my colleague will be happy to know that.

With regard to his question, it is a very serious problem. That is why we have reduced as much as we have. We recognize more could have been done but we also recognize that if we do it too dramatically we can destabilize society.

What is important is we made a commitment in our red book before the election and during the election that we would reach a 3 per cent of GDP target and we will do that. Once we have done that we will start attacking the debt. It is accumulating. We wish we could wish it away. There are no panaceas here. There are no magical solutions. There are no simple answers. That is what is sometimes offensive.

There is a suggestion that we could sort of wish it away. It cannot be wished away. It will take planning. It will take hard work. It will take the decisions that have been made, continuing in that direction.

Mr. Harris: Mr. Speaker, on a point of order, I fail to see a quorum in the House. I am wondering whether it is because Liberal members are not interested in this motion.

The Deputy Speaker: I will ask the clerk to count the members present.

• (1705)

And there being fewer than 20 members present:

The Deputy Speaker: I am told by the Table there is not a quorum. Call in the members.

[*Translation*]

And the bells having stopped:

The Deputy Speaker: Since there is now a quorum, we resume debate. The hon. member for Kamouraska—Rivière-du-Loup.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I take this opportunity to discuss the motion on Vote 10, dealing with human resources development, and also ask the Minister of Human Resources Development to reflect on a consequence of the current budget, namely the major restrictions imposed to the Canada employment centres.

Let us do a bit of history. For several years now, there have been two manpower networks in Quebec: one managed by the provincial government, and the other by the federal government. The Quebec government already has jurisdiction over all the issues related to the labour market, including the Labour Code, the Occupational Health and Safety Act, the Labour Standards Act and the Collective Agreement Decrees Act.

As well, the federal government developed a network which was originally designed to maintain UI services and related programs.

Over the years, we realized that we did not have the means to afford two networks, and that we had to find a way to integrate them. In Quebec, a consensus was reached by all the stakeholders. The consensus was such that even the Quebec Liberal Party, a federalist party which was in office for several years, asked for an administrative agreement under which Quebec would manage the UI program over its territory.

That Liberal government created an organization called the Société québécoise de la main-d'oeuvre, which had the necessary structures, powers and programs to provide all the services related to manpower.

This year, given the budget constraints, the federal government had the option of saying: Yes, we will let the Quebec government assume full responsibility for manpower; this will allow us to make significant savings.

However, this is not the option chosen by the Department of Human Resources Development. Instead, it chose to reduce the number of its employees in the Canada employment centres across the country, so as to spread the cuts and make the process look like a reform or an administrative reorganization which will result in the creation of Canadian human resources centres. Some 20 to 30, if not 35 to 50 such centres would be established in Quebec. They would be like information booths or banking machines.

The fact is that, with this reform, this downsizing of every employment centre, under colour of seemingly commendable objectives, they will actually create appalling situations. For

years now, we have been saying among other things that adequate consulting services should be made available to the unemployed. Psychologists and other manpower counsellors working with the unemployed should be in a position to do so.

As a result of the federal government's decision, there will not be one single employee left in smaller urban centres, only automated tellers. In medium sized centres, much fewer people will be assigned to and available to provide services to the unemployed, the service users.

The minister is currently considering suggestions made by bureaucrats, public servants. It may be useful at this time to remind him that, before moving to implement this reform, the main effect of which will be to reduce personal contact between people on UI and those who can help them, perhaps other options should be considered.

• (1710)

Let me give you concrete examples. At the La Pocatière employment centre, in my riding, one of the most performing centres in Canada in terms of service requests processing speed, it had become the custom to automatically refer anyone filling an unemployment insurance claim to a counsellor. This prevented claimants from getting lost in the system or getting inadequate advice.

As a result of this measure, the staff will be cut by 17,6. I am not crazy about referring to people in terms of decimals; therefore, let us say about 18 people. After all the cuts are implemented, only 13 people will be left.

It is impossible to both reduce the number of employees and maintain or improve service at the same time. Therefore, the pilot project under way will probably have to be scrapped.

Let me give you another example. The employment centre in Rivière–du–Loup, which serves a vast area, was putting in place practices that would have made it easier to reach unemployed workers in the various communities scattered throughout the territory. Since staff will be cut from 48 to 38, the unemployed will go back to the old practice of merely sending a card to the employment centre. The impact of these cuts will also be difficult to assess, since people will turn to the employment centre more to collect unemployment insurance than to job search. This would run counter to the objectives of the government's planned contract with the people.

I would like to come back to what I was saying about information booth or banking machines. Imagine people who are not used to computers. The clients, who are often the long term or chronically unemployed, are people who freeze before the huge bureaucratic machinery. They have a hard time finding solutions. By making them use a computer and denying them the possibility of receiving individual service, we will put them in an intolerable situation.

What could have been done other than making cuts? In our opinion, the first, the real solution would have been to recognize Quebec's jurisdiction over manpower training and to transfer the employees affected, thus allowing us to correct some rather absurd situations.

For example, the federal network now manages 27 manpower programs, while the Quebec network handles 25. There are some 100 Canada Employment Centres in Quebec, whose services are duplicated by the Société québécoise de la main–d'oeuvre. This requires stakeholders in each region to spend a lot of energy working in concert with others to reach a consensus and develop manpower strategies adapted to local needs. People do so in good faith and make the system work because, if the Canada Employment Centres and the Société québécoise de la main–d'oeuvre followed national criteria and established procedures to the letter, the system would not work. There would be no way for the system to work properly.

As I was saying, we think that the first solution is for the federal government to give jurisdiction to Quebec so that Quebec can streamline operations to make the system work.

• (1715)

Here is another example of measures which seem rather mind–boggling and which are the result of a bad decision. The department informed job search clubs, which are organizations co–operating with the employment centres and which are claimed to be among the priorities of the Department of Human Resources Development, that they will only serve UI beneficiaries.

The documents on the reform refer to more partnership agreements and more co–operation with all sorts of organizations capable of doing the job at a lesser cost. At the same time, job search clubs are informed that they will no longer be allowed to provide services to those who are not UI beneficiairies.

Just imagine knocking at the door of one such club, whose role is to help people looking for work, and being asked first whether you are a UI beneficiary. If this is not the case, you are out of luck, otherwise you may be referred to a Quebec labour department office.

The case of a person who does not get any UI benefits is truly mind–boggling. For example, a student graduating this year, who is not eligible to UI benefits, who is still a dependent, and therefore not eligible to welfare assistance, will not be able to get any help. I do not think this is the right way to treat people.

Before making a decision and following up on the proposals made by his officials, the minister should conduct a vast consultation exercise among MPs regarding the proposed administrative reorganization.

Such a consultation is important, both for the government and the opposition parties. It could be done regionally. For example, the members from Quebec, Ontario, the western provinces and the Maritimes could be invited and informed of the impact of

that reorganization on the employment centres in their ridings. I think this approach would shed a different light on the subject and be a useful adjunct to the studies prepared by bureaucrats.

Another concern linked to the estimates is the number of national advisory groups at the Department of Human Resources Development. Before cutting back on the number of employees in customer services, the people who provide services to the unemployed in all municipalities, in every single part of Canada and Quebec, it might be advisable to see if cuts could be made in these advisory groups which would be in line with the government's current budget requirements.

We are not saying that nothing should be cut. Obviously, considering the size of the debt and the deficit, we must all do our share. We all have to contribute. When we say all, we do not mean only the people assigned to customer services.

In the private sector, I think customer services would be the last place where they would cut staff. We have to consider what can be done, and I hope the minister will ask all members for their views on the reform proposals, to ensure that the final decision will take into consideration what the situation is in each region.

I was looking at a list of criteria for a Canada human resources centre, a local human resources centre and a kiosk. Some criteria work very well for urban areas and some for rural areas, but there are other criteria that are not considered at all. It is like looking through the wrong end of a telescope.

• (1720)

It says that a Canada centre should have between 75 and 150 employees, but not a word about the customers. I think that the criteria for a Canada centre should include the customers these people will have to serve and then, and only then do we decide on the administrative structure that is adapted to customer needs. In this case, the structure comes first and then they adjust the needs to this particular reality. It sounds rather farfetched, and I think we have a responsibility to represent these customers and take their needs into consideration.

A good example is an employment centre that deals with large numbers of seasonal workers, people who are spread over a vast territory. In that kind of situation, we must realize that when there are a lot more transactions, when there are very busy periods, when programs have to be put in place to give these seasonal workers a chance to find jobs or develop jobs that will give them some additional income, because they are the first in line to apply for these jobs, we need adequate services to do this.

I think it is important for the minister to include in his reform what he said in the documents, in other words, the new structures will be customer oriented and will be based on partnership. And to achieve this, the first thing to be done is to determine who the clients will be and with whom public servants will be dealing, and whether certain segments of the population or certain areas are more affected by the system and whether the reforms should take that into consideration.

Therefore, overall, while we are waiting for the government to eventually merge the two systems, and we will have to wait until the federal government decides to take the first step and admit that it has no place in the area of training the labour force, in the interim, these reflections aim to ensure that Canadians and Quebecers using employment centres will not be penalized by the decision, and that we will not be faced with absurd situations in which people are forced to travel great distances to obtain a service. The system should run smoothly.

Another element must be taken into consideration. I would say that about 90 per cent of the salaries of people working at employment centres come out of the unemployment insurance fund. That means that the employees who are paying unemployment insurance premiums and the employers who are making their corresponding unemployment insurance contributions are supporting this system. It is they who ultimately pay the salaries of the staff at employment centres. They should therefore have a say regarding the kind of services they will receive.

The way things are going, the government wants to create a sizeable human resources investment fund so that it can intervene in sectors like daycare and services for handicapped people, which both fall under provincial jurisdiction. This will artificially inflate the financial needs of the unemployment insurance commission when the government could easily have decided to take another approach altogether.

Now that there is a surplus in the Unemployment Insurance fund, could we not decide to continue to give people proper counselling services? Could we not decide as well to find a compromise solution which would maintain proper services and, at the same time, permit a reduction in UI premiums? This is one way to create jobs. If employers and employees pay lower premiums, a significant amount of money is then injected directly into the economy. This is a much more active approach to job creation than putting money in funds like the human resources investment fund, which will be bureaucratic and will not quickly find its way back into the economy.

• (1725)

Therefore, in looking for job creation solutions to make better use of all our human potential, the minister should consider the situation and the creation of the human resources investment fund or at least take a look at the scope he intends to give it, so that money may be made available quickly and show up in the paycheques of individual Canadians and Quebecers who earn their living with it and of employers too, who will then be able to

put more money into research or technological development, which will mean better service to the public.

Therefore, I am happy to have this time in the House to encourage the minister to analyze the recommendations made to him in detail and to invite him to submit them to the House before any decision is made.

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I noted that the member was back on the old rhetoric of the Bloc Quebecois that it is so concerned about provincial rights and responsibilities that it wants total control over manpower and training.

Surely the argument is the creation of jobs, the creation of a well trained and productive workforce. The whole argument among different levels of government which may create bureaucratic jobs as the provinces and the federal government fight each other over who shall and shall not accomplish and spend money in what area is totally and absolutely non–productive. The issue should be that we want Canadians to be productive. We want them to be well skilled. We want them to be efficient in order that we can compete in today's international marketplace.

How does the member think that by having the money spent by the provincial government instead of the federal government it is going to achieve any of these particular aims and objectives?

[*Translation*]

Mr. Crête: Mr. Speaker, I find this question a bit surprising coming from a member of the Reform Party, because it seems to me that part of the answer can be found in an argument they have frequently advanced, which is that, if decision making were truly decentralized in our system, significant savings could be realized.

One of the sad facts of the terrible debt we are now facing is that, in our federal system, it is very difficult for individual citizens to identify who is responsible for what, and as a result they are forever turning to both the provincial and the federal governments for money, hoping that one of the two levels will come through with what their organization needs to function.

There is therefore a rather unhealthy competition between the two levels of government, because their fields of action often overlap. Another aspect is that it is not true that the manpower profile is the same throughout Canada. Quebec has its own characteristics because of the French language and culture of the majority of its citizens, and therefore the mobility of Quebecers is not the same as what may be the case in the rest of Canada.

There are also different choices that must be made in terms of occupation of regions. For example, when the human resources development committee conducted its cross country tour, Maritimers were in dread of a reform that would suddenly bring about an exodus to the west, when what they wanted was to be able to stay in their part of the country, exploring and developing the resources there.

• (1730)

That would lead to very different choices regarding manpower training. A truly pan–Canadian policy really encouraging full–scale mobility to the max would mean that we would train people in New Brunswick or Nova Scotia for jobs in Ontario, Alberta or Vancouver. On the other hand, if were to keep our manpower training policy to a local scale, if our objectives encourage people to find employment in their own areas, to lead their lives in their current environments, we would make different choices regarding training. We would go size up what resources are available in their areas and what kind of training needs the people already living in an area have. That would make a huge difference.

Take fishermen for example. Given the very inaccurate forecasts made, they became the victims of the overlap in the fisheries jurisdiction. If these people are put in a position in which they have to go back to school to train for jobs in an entirely different region, they will be cut off from the only reality they know and we will be faced with the same problems many southern countries are currently facing.

So, to get back to the hon. member's question, I think that the main solution is decentralization which, in itself, will be much less costly. If provincial governments do make mistakes, if they spend money irresponsibly, it will not take long for the electorate to turf them out. The way things are now, the people cannot actually determine whether the federal government, the provincial government or the municipal government is responsible for such and such a thing. In Quebec, there is overwhelming support in all regions for a massive decentralization of power. This would make it possible to quickly determine who created a situation in particular, who is responsible for ensuring it is a success, and who to praise if it is, or who to blame if it is not. That is one way of getting Canada out of debt.

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I was very interested in what my colleague from Kamouraska—Rivière–du–Loup, who is from one of the regions, had to say and I have a question for him, not about decentralization, because he would like to see a move to decentralize towards the regions, but as the Canada human resources centres are formed, we realize there will be some centralization. Because of staff reductions, they are going to centralize staff, which is supposed to enhance efficiency, and they will set up service outlets. Since we are from these regions and, in my opinion and that of my colleague,

these service outlets will not have any decision making authority, people in the riding of Abitibi will have to travel more than 250 kilometres to talk to someone who has that authority.

Does he think it is efficient for the federal government to establish Canada human resources centres without consulting the regions and to develop a strategy that may be effective in Toronto and Montreal but not necessarily in our regions?

Mr. Crête: Mr. Speaker, I think my colleague raised an important point in the current debate. It seems that when there is a trend towards restructuring, and this also happens in the regions, people always recentralize when cutbacks have to be made. Amazingly, in a decision making pyramid, it is always the job at the bottom, never the job at the top that becomes expendable. The job at the bottom may provide direct services to customers but does not have as much clout at the decision making level.

My recommendation was to ensure that members could be consulted before this reform was implemented and it is right in line with my colleague's philosophy. I want members to be able to say: The suggestion that we should have only one Canada human resources centre in Rimouski is entirely unsatisfactory, considering the situation in the region. In the Gaspé, we would need a major centre, under whatever name, and another centre for the region around Rivière–du–Loup, and staff should be appointed accordingly, because Canada centres are going to see their consultant resources, who are not in direct contact with the public, regrouped in these so–called regional capitals. This will not have the desired effect, which was to provide direct services to customers. Imagine if McDonald's decided that instead of setting up branches where there are a lot of people, it would have only one restaurant and ask people to come and eat hamburgers 15, 20 or 50 kilometres from their residence. The company would go out of business.

• (1735)

If we do not make the right decisions, we will end up with the same results in terms of the satisfaction of Canadians and Quebecers with services offered by employment centres and with everything connected with unemployment insurance.

[*English*]

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I would like to inform the Chair that I will be sharing my time with the member for Brandon—Souris.

I have the honour today to talk about the government's cost recovery and user fee policy. It is important that all Canadians have a better understanding of this policy. The 1995 budget announced that as a result of the program review, departments would introduce new or expanded initiatives to recover a greater portion of the cost of certain programs.

This government is committed to changing its approach to managing its activities and operations in total. In the context of program review, the government has been rethinking what its core functions are, how these core functions should be carried out and how best to finance the activities.

Cost recovery is one of many management initiatives that reflect this government's commitment to greater reliance on market forces, to improving the efficiency of its operations and effectiveness of its programs. Cost recovery and user fees involve having those who benefit the most or most directly from a government service or program pay a fair share of the cost of providing that service. It makes use of the user pay principle in which the user specific beneficiary rather than all taxpayers bears all or a portion of the financial responsibility for an activity.

On the face of it, this is viewed as reasonable, justifiable and fair to most people. However, cost recovery and user fees are often perceived as another form of taxation. It is important to recognize that cost recovery and user fees differ from taxes in their nature and function. Let us look at the way they operate.

Taxes are mandatory levies of which there is no quid pro quo for goods or services. Taxes bear no direct relationship to the use or benefits from public services or resources. Taxes are used to finance public goods such as national defence and security.

Cost recovery and user fees on the other hand are payments made by individuals and firms in exchange for some direct benefit. Generally they are levied when the people enjoying the benefits are a specialized or select group. For example, campers pay for entrance fees for camping in our national parks and Canadian travellers pay for obtaining a passport for travelling abroad.

The government recognizes that cost recovery is not appropriate for all of its activities. The government provides many programs for the benefit of all citizens, and others that for other policy reasons are intended to assist the recipient. These programs will continue to be financed from general tax revenues. Our view is that the introduction of cost recovery or similar charges for many programs or parts of programs could improve government administration and reduce costs to the general public without harming the public good.

The concept of cost recovery is not new. The principle is being applied increasingly by all levels of government both in Canada and internationally. Some federal departments and agencies have been charging fees since Confederation. Think of the fee for a new passport. That has been around since the early 1800s. Since only a limited number of Canadian citizens require a passport, it is appropriate to request a small fee for the service from a recipient of that privilege rather than have the general taxpayer pick up the entire bill.

• (1740)

The bottom line is that there are no free services. All government services come with a price tag, a price tag that either the recipient of the services or the general taxpayer must bear. The issue is getting the right balance. Let me provide some examples of existing cost recovery initiatives in this federal government.

Agriculture and Agri–Food Canada charges fees for the use of pastures and breeding facilities; inspection of seed, feed and food; and quality of inspection of livestock and grain. Industry Canada charges fees for issuing licences for non–broadcasting radio communication equipment; fees and charges for a broad range of activities such as inspecting equipment used for weighing and measuring consumer products; patents and trademarks; and metre inspections. Immigration and Citizenship Canada charges for immigration visas and citizenship certificates.

National Defence charges for the sale of goods and services to NATO, the United Nations and foreign governments. The Royal Canadian Mounted Police recovers most of its costs from provincial and municipal policing services. The superintendent of financial institutions recovers the costs of most of his regulatory activities from the banks and other financial institutions. Transport Canada charges for airport facilities and services provided to airlines, such as concessions, leases, landing and terminal fees.

It is important to emphasize to hon. members that the primary objective of the government's policy is not cost recovery. May I point to three objectives.

One objective is to ensure fairness by having direct users or beneficiaries pay a fair share of the cost of programs and thereby relieve some of the financial burden on the general taxpayer.

The second objective is to establish a market type mechanism to help assess which government activities should continue to be pursued and which should be scaled back, if not eliminated. In other words, can we still afford to provide a particular service and is there a market for it? If Canadians are not willing to pay a modest fee or charge perhaps it is no longer worth doing.

The third objective is to create a new relationship between users and departments. By this I mean that paying for an activity gives the user a more direct interest in how the activity is run, the quality of service provided and its cost. In turn, departments will become more attentive and responsive to the users' needs and expectations.

For example, the Atomic Energy Control Board collects fees for licensing nuclear facilities such as power reactors, uranium mines and mills. As a result of the fees, licensees are reviewing their licence requirements very closely and are cancelling unnecessary licences. Licensing costs have led some companies to review their use of nuclear processes and materials and to consider alternative and less costly processes. Atomic Energy Control Board licensing managers have become more aware of the total costs of doing their job which is contributing to an increase in the efficiency of their organization.

Canadians should also be assured that due process is used by departments and agencies when they introduce a cost recovery initiative or introduce user fees. Cost recovery initiatives are not simply imposed by departments. The government has established guiding principles for departments and agencies to follow when considering the introduction of cost recovery and user fees.

Here is a brief description of the process. The basic premise is the activities provided primarily to an independent and identifiable recipient beyond those that accrue to the general public should be paid for in whole or in part by those recipients. Implementing cost recovery or introducing user fees must be done in a transparent way that is open to public and parliamentary scrutiny.

Where fees are appropriate, they are to be implemented in consultation with users and under appropriate authorities and accounting mechanisms. Before implementing any fee, departments must assess the impact of charges on users and others affected to ensure there are no unintended effects. The decision will depend on factors such as the effects the charging will have on the clients' satisfaction with and their utilization of the activity and the impact on the program's objectives and effectiveness.

Interestingly enough simply studying the possibility of cost recovery can have some positive effects. For example, considering a new fee for a particular activity may lead to other important decisions because a good analysis may point to other management changes that should and could be made. It may be decided that people will not pay for a service if we cannot speed up delivery or reduce errors in providing the service.

• (1745)

Cost recovery can also improve the management of government resources by complimenting related management initiatives such as restructuring service delivery; for example, special operating agencies.

In today's tight fiscal environment there are not enough tax dollars to meet all the financial demands of government programs. Cost recovery and user fee revenues permit the government to provide and improve activities that it might not otherwise be able to afford, or to redirect the tax dollars currently being used to finance these activities or even to reduce the deficit.

The government is committed to providing Canadians with the best service possible within the resources available.

The Deputy Speaker: The hon. member's time has expired.

[*Translation*]

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I would like to thank my colleague opposite. He had a lot to say about cost recovery, transparency and money the government has to spend. I have a simple question for him about unemployment insurance.

When there is a $2 billion surplus, and regions such as ours will be penalized significantly because of distances, how does he explain the transparency of the Department of Human Resources Development, which does not use the extra $2 billion to provide more services for its clientele? It is not transparent as regards other budget items because we cannot find out why it does not use this extra money to keep the people needed in the regions to give training courses or simply provide services.

[*English*]

Mr. Cannis: Mr. Speaker, I thank the hon. member for his question.

With respect to human resource development program, the minister looks at the program from a broad sense. He is obviously looking to fine tune the system so it can provide a much more efficient and effective program.

In my experience in my riding and questions I have asked beyond my riding, the training programs are continually being enhanced. The minister is trying to do his utmost in the training program to provide training for specific areas.

Given the information we have received from the department, it is trying to establish a program whereby an individual living in Quebec will have access to opportunities in Ontario or British Columbia. When we look at moneys saved, we have to look at the overall picture of our financial situation and direct moneys wherever they are needed and improve the system as best we can.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, when it comes to directing money where it can best be used, I would like to get the member's opinion on one expenditure.

This year 45,000 civil servants can expect to be laid off, not rehired or what have you. Within the government there is the special measures initiative program through which the government will spend about $45 million specifically to target equity groups, aboriginals, visible minorities, women and people with disabilities, for hiring programs in the civil service.

It seems odd when we are laying off 45,00 civil servants and spending $45 million to initiate programs to hire more people. Is that money well spent?

Mr. Cannis: Mr. Speaker, that is a very good question. Let me set the record straight.

The member said we are laying off 45,000 people this year. That is not true. We all know that. There are 45,000 people. Some will be laid off and some will retire over three years. We are being intellectually dishonest when we harp on that and say 45,000 are people being laid off this year. I have spoken to many people who are very pleased this program is unfolding the way it is. They are glad to receive their early retirement, the payouts as well. The government is approaching downsizing in a very humane and compassionate way.

• (1750)

Last week I spoke to a constituent who would like to accept a package. Unfortunately because circumstances call he is not part of the group that will be laid off or asked to take early retirement. Nevertheless we have to be honest with our viewers that 45,000 is spread over three years.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, a lot was said here about cost recovery. We are all sympathetic to this. I refer to two services being provided, the business development centres across Canada and the case counselling services with the Federal Business Development Bank.

Is the hon. member suggesting that with the parliamentary appropriation given to the Federal Business Development Bank to finance that aspect of its operation, which is not under the cost recovery of the mandate of that bank, the case counselling services will go on a cost recovery basis to the people who use that counselling.

Will the people who benefit from or use the business development centres be charged for the computer time or the information available?

Mr. Cannis: I have had the opportunity, Mr. Speaker, on several occasions to meet with representatives of the Federal Business Development Bank. They are providing a service in conjunction and co–operation with major financial institutions. It is a needed service. When they provide auxiliary support, yes that service will be paid by the user so it is not a burden on the FBDB.

The FBDB provides a service that is a higher risk for various users. Its record speaks for itself as far as recovery and not being a burden on taxpayers.

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, I am pleased to add my support to Bill C–76.

The government has done its very best in the last two budgets to avoid any increase in personal taxes. Every $1 we raised in additional taxes was matched by $7 in spending cuts in the 1995 budget and $5 in cuts in the 1994 budget. Taxes on corporations were increased and the highly profitable Canadian banks will

pay a temporary surtax on their capital. All together, new taxes on corporations will raise an additional $974 million this year.

These measures are in addition to the improvements we have made to the tax system in the 1994 budget in which where we reduced the amount businesses could claim for meals and entertainment from 80 per cent to 50 per cent and we eliminated the $100,000 capital gains tax exemption which primarily benefited higher income Canadians.

During the prebudget period hundreds of Brandon—Souris constituents contacted my office and also made indirect contacts with the ministry. They sent all of us on this side of the House a message that the Liberal government must take strong action to break the back of the deficit. Great improvements and great strides have happened in this regard.

The preference for deep cuts in government spending versus any increase in personal taxation was stressed and our government responded accordingly.

I believe Bill C–76 is tough but fair. The finance minister worked hard to ensure balanced spending reductions and that the burden of deficit reduction is shared as evenly as possible in all regions.

The Brandon—Souris area is no exception. We did experience some reductions in personnel. Our weather station was closed. Those who work in Shilo will experience some job losses. However, this is being eased to some extent by the program put in place by various departments.

• (1755)

The elimination of the Crow rate is probably one of the most difficult for many farmers in our area to handle but many regard the transition as necessary.

Our government has cut spending dramatically but in a way consistent with the value of Canadians, promoting jobs and growth, protecting the most vulnerable members in our society and cutting at the government level first. Bill C–76 reflects the government's commitment to reducing government spending now while the economy is still in a growing cycle.

Decisive action today will ensure continued strength of the Canadian economy, protecting future jobs and prosperity. The decisions made with respect to agriculture will ensure Canadian farmers can take the best possible advantage of new global trade opportunities. Farming is best done by producers, not governments. That is why Bill C–76 is putting decision making back into the hands of the farmers.

We are expanding export markets and helping to create new domestic markets for commodities farmers across the prairies produce. How are we giving producers more control over their environment? Bill C–76 ushers in great improvements for Canadian farmers. The prairie grain cash advances would increase by $34 million. Cash flow enhancement programs would increase by $27.5 million. The NISA program would increase by $102 million. Transition programs to whole farm support for beef, lamb and hogs would increase by approximately $6 million. A matching investment initiative will increase by $12.7 million. Expanding export markets would increase by approximately $900 million. Further efforts are being made to expand the ethanol programs, and food safety would increase by about $5.8 million.

One of the most symbolical changes in the budget is the Crow rate. It has been recognized the Crow has caused some distortions and some inefficiencies both for the producers and for the transport companies. That will soon change. The Prime Minister was correct when he said that given half a chance farmers do not want subsidies, they want access to markets and they need and want fair prices.

It is the intention of the government to help farmers across the prairies do what they do best, feed the world, to diversify and to make a decent, honest living while doing it.

I believe the removal of the Crow rate will lead to increased value added production in the prairies over time. The circulation of billions of dollars and now the incentive to add value to agriproducts will provide opportunities and financing for the food processing industry in pasta plants, ethanol plants and many more we have not as yet conceived.

People learn to adjust to new opportunities and Manitobans have traditionally been trend setters in new markets. Clearly details need to be worked out, especially on pooling issues.

There is some concern regarding compensation for land values and how land owner payouts will be reflected in new lease arrangements on the approximately seven million rented acres in Manitoba. The reform of the WGTA will not be easy. The issues are complex but I am confident the minister will continue open discussions and that the $300 million transition adjustment fund will be used as effectively and efficiently as possible. The western economy will be stronger and more diversified with the removal of the WGTA.

It gives me great pleasure to bring forward two endorsements to the WGTA program, endorsements which are rather difficult to pry out of some with different political views from those of us on this side. It is sometimes very difficult to endorse or change an idea one does not have the courage to do oneself. I am pleased to indicate to the House that the first endorsement came from the Manitoba agriculture minister. He said that changes to the WGTA would rejuvenate the rural economy of Manitoba and would lead to an added value approach to farming and the development of job intensive processing industries.

• (1800)

The second endorsement came from one of my opponents in the 1993 election. He was in Ottawa this week. He said that the payment to landowners represents a reasonable compromise. It is not often that the three of us agree on anything, but miracles do happen in Manitoba and a miracle did happen in this instance.

Let me reiterate that although the government has cut spending dramatically, it has been done the cutting in a way which is consistent with the values of Canadians, promoting jobs and growth, protecting the west, protecting the most vulnerable in society and cutting the government purse.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my colleague spoke a lot about agriculture. It warrants a lot of attention, because relations between farmers and markets in Quebec and Canada will be changed significantly by some of the measures presented.

I have a question for him on one type of production that is growing considerably in Canada: lamb production. Alberta, Quebec and Ontario are the three largest producing provinces. The government has decided to close the experimental farm at La Pocatière, which is in my riding. It is the only experimental farm with a national mandate to do research on everything that concerns sheep. Sheep production is growing, and production should increase, because there is a demand for sheep and lamb in Canada production as a whole.

Are there other solutions in the member's opinion? Shutting down the farm and putting an end to research into this sort of production does not seem acceptable to me. In one way it is very dangerous. I would like to know if he sees any alternatives. In fact, both his region and mine are affected by this decision, which has a significant negative impact on production of this type.

[*English*]

Mr. McKinnon: Mr. Speaker, I thank my colleague for the question. Its thrust is similar to other segments of agricultural industry. I look at it in a similar fashion to hog production in Manitoba.

It is my understanding in terms of research that the thrust of the department is to attempt to put together partnerships involving the federal government, as well as specific provincial jurisdictions where there is great interest. More important, it is producers who are probably the most concerned about the genetic development of hogs, sheep or cattle and who may be addressing the markets on a global basis.

The best way to answer the question would be to indicate that the producers should be looking at bringing together their resources. Perhaps a check off system at the marketing end would help to address those concerns.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the comments made by the hon. member opposite dealt mostly with Bill C–76, the Budget Implementation Act, and not so much with the estimates.

Since he is talking about budget implementation, I wonder if he would detail for me, because I am not as familiar with the red book as he would be, exactly how close was the red book promise on the WGTA with what the Budget Implementation Act actually did? That was to remove the WGTA. Was that the red book promise? Was there a different promise on the WGTA?

• (1805)

Mr. McKinnon: Mr. Speaker, references were made to transportation and the WGTA in the red book.

I have to be honest. When I started into the campaign in 1993, a debate was going on about how transportation should be handled in various regions of the country, remembering that there is always a moving target. Conditions did change. We were facing as a government, possibly, circumstances that were not envisioned during the campaign. I will be succinct. In 1993 I was not of the view of the route on which the government has proceeded. We have had to rethink that whole circumstance.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, for those watching this debate. We are now debating a Bloc motion on grants and contributions from the human resources department's main estimates. The Bloc motion calls for $1.3 billion in cuts. Those cuts would cover programs, everything from youth initiative programs to employment assistance programs.

We are all making do with less in these times and government should be no exception. Even though this message is coming from Canadians, the government is not listening. Instead it has actually increased its spending in its first two budgets. This includes substantial increases in its interest spending. The government keeps borrowing money and having to increase spending on interest but it decreases spending on some other things for which we would rather pay.

The Reform approach in dealing with the main estimates for the human resources department was to propose modest 5 per cent reduction in the operating expenses of the various programs under this department. Instead the human resources estimates propose significant increases in spending. This is interesting because it is at a time when the services being delivered by these programs are being significantly cut back to Canadians.

For example, we know that pensions are going to be cut back sometime. That has been announced. We are not sure when or what. We know that unemployment benefits are being cut back. The budget said a minimum of 10 per cent but it could be more than that. We know that health care is being cut back under the Liberal budget. We know that tuition fees are rising because

there is less money available for post–secondary education. The list goes on.

During the time when these benefits and services to Canadians are being cut back significantly, the department that delivers them, instead of getting leaner and more efficient, is increasing its spending significantly.

Reform felt that in fairness to Canadians who were having to take less from this department that the least the department could do would be to operate on at least 5 per cent less money than it asked for from Parliament.

Unfortunately the modest decrease in operating funds of 5 per cent which we proposed was voted down by the Liberal majority on the committee and interestingly by the Bloc members on the committee. In committee the Bloc members did not support even a 5 per cent decrease in spending but in the House they want a $1.3 billion decrease. We find that quite interesting.

• (1810)

Reform proposed a very realistic 5 per cent cut to operating expenditures. This would have been an important first step and one which the government could have and should have been able to live with.

Instead the government is pushing through the votes in the main estimates without even the kind of public scrutiny that we should be able to expect as Canadians from a massive spending program by government. These estimates are being put through without the members of Parliament who hold a majority being able to decrease that spending by even $1.

Whatever government departments ask for, whatever the bureaucrats propose, is what they are being given. Is that any way to show accountability to Canadians? We were elected to oversee the spending of their money as carefully and prudently as possible. No. Whatever is put forward, we just put it through. We will see this later on today. There will be not one vote that will diminish the spending estimates put forward by government departments by even $1. That is not accountability. It certainly does not hold the civil service accountable for the kind of spending they are supposed to be doing of Canadians' money.

This spending affects every Canadian from St. John's to Victoria. We should be looking very carefully at how that goes forward.

Even the Bloc motion on vote 10 that we are debating right now is being countered with a government motion to boost the spending in the area of grants and contributions right back up to where it started. This is in spite of all attempts to give the matter serious consideration.

The Reform Party in February released a budget which we believe the country should operate by. It was called the taxpayers budget. This budget was a direct result of input from our party members at the grassroots level right across the country. What ordinary Canadians were calling for and what was reflected in our budget were reductions to the bloated and inefficient programs, especially funding for special interest groups such as the ones that are funded under the motion we are debating at the moment.

Reformers spoke out loud and clear in this area of government money for special interest groups. We supported cuts in these particular areas and our support is solid.

Also in the taxpayers' budget Reformers were clear that areas of provincial jurisdiction, such as training programs, should not be intruded upon by the federal government. In that one area we agree with our friends from the Bloc and their opposition to some of these requisitions for money that really should not be allocated by the federal government but should be left to the provinces as the Constitution provides.

Many of the grants and contributions in this motion are dealing with services which are the responsibility of provinces. That should be acknowledged and respected.

The Reform plan consisted of a formula for dealing with grants and contributions depending on whether they were provided for businesses or special interest groups. We believe contributions to businesses should be cut on a formula of 100 per cent cuts and that the funding for special interest groups should also be cut 100 per cent. That is our formula.

Let us now look at some of the specific expenditures that are covered under this motion. Part III of the human resources main estimates breaks funding down with vague descriptions only, such as "grants to improve employability and to promote employment opportunities". These are broken down further into what the department calls partnerships. It calls for labour market adjustments—it is scary for the labour market to think that good old government is making adjustments on its behalf—and what the department calls community development projects.

Money from this area is supposedly to be used at the local level to create jobs. The problem is that the expenditure of this money often creates no real long term sustainable jobs at all. They create only artificial jobs or jobs that last only long enough to give an individual enough weeks of work to qualify for unemployment insurance, of course calling for more funding and more money from the government department that started them on this nice cycle in the first place.

• (1815)

These are the sorts of make work projects the government prides itself on, instead of allowing the private sector to energize our economy. This government acknowledges openly

that long term sustainable jobs are created by business, particularly small and medium sized businesses. Instead of allowing these people to keep the money they generate and get on with the job, government spends lavishly and in order to fund that it has to take money out of the pockets of these businesses, which therefore drives us further into debt and stifles the kind of private enterprise that would provide jobs in this country.

The taxes that support the kind of spending we are talking about today are job killers. That is what is happening in our economy. Governments are scooping so much out of it, draining so much out, taking so much out of the pockets of people who are trying to keep the economy going that the economy is suffering and reeling from the shock of this kind of government spending.

The future in getting Canadians back to work is to have a country where companies can hire with minimum amounts of red tape, pay lower taxes than they currently do, have less government tinkering in their affairs, and also have businesses that are able to utilize a workforce that is not dependent on government make work projects.

The economics of the situation is simple. The money the government spends for projects to supposedly increase jobs could be much better spent. It has to come from somewhere. In this case the somewhere is from investors, Canada savings bonds, treasury bills and Government of Canada bonds. When Canadians and foreigners buy those instruments they are really loaning our government money. In order for the government to pay them back for these instruments and pay interest as well it has to tax individuals and companies.

Now the cycle has gone so far that the government is actually borrowing money to pay interest on money it previously borrowed. That is why we are in such trouble. The end result is these so–called make work projects are actually paid for with borrowed money. This is not a healthy situation. It creates a shaky economy and we are seeing signs of that today.

The recovery everybody talked about last year is showing signs of slipping. The robust profit growth of Canadian corporations, private companies that create jobs in this country, slowed in the first quarter of 1995. Operating profits grew by a mere 1.9 per cent in the first quarter, compared with over 10 per cent in the first quarter of 1994. That is a significant, incredible change and downturn. Economic activity also slowed in the first quarter, as the gross domestic product dropped 0.7 per cent in March after a 0.2 per cent drop in February.

There are some real signs the government tinkering in the economy, taking money out of the hands of business people, entrepreneurs and investors, is simply destabilizing the situation, not helping it. Governments cannot run an economy but can only help make it possible for an economy to operate in a healthy way.

Also covered under this motion are grants paid out under the Atlantic groundfish strategy, or TAGS. Over $164 million was allocated to the TAGS program, to be spent over five years. The Minister of Human Resources Development touted this program as being the new face of social programs in Canada.

We have heard many examples of how TAGS has failed in its quest to be a training program and a program to move people from failing industries into healthy ones. This has evolved into simply another income support program. Not only is it creating additional dependency in an area that certainly does not need that and where there is already a lack of hope for viability in the economic sector, but the training part of those funds, the funds that were supposed to be given to people to train them for jobs in healthy labour industries, is now simply being diverted into more income support.

• (1820)

In fact, 80 per cent of the funds for this five–year program have already been spent in the first year. For the remaining four years we have only 20 per cent of those funds left. We also know that a great amount of these funds, we do not know how much, is going to people who are already earning more than a good living in other fisheries activities, such as snow crab fishing.

This is an area that needs to be re–examined. This is a spending area that is not working. There is room for reductions that would be not only not a hardship for people but would actually benefit the economy, because this kind of tinkering simply hurts it instead of helps it.

Also under this motion is about $1 billion of spending on payments to facilitate the efficient functioning of the Canadian labour market. Who better to tell the Canadian labour market how to be efficient than a very efficient government?

It seems to me that if we would leave that $1 billion in the hands of entrepreneurs, business people and investors, that would do more to help the Canadian labour market operate efficiently than anything the government could ever do to teach it to operate better. That would be the best investment we could make: simply let the people who know how to be efficient get on with the job, rather than taking their money and having it inefficiently allocated by bureaucrats, politicians, and grant recipients.

This brings us to another component of the Reform Party's principles that we have been urging the government to follow when it talks about ways to spend better on the social side and stimulate the economy. This is the whole idea of effectiveness in government. It is not too much for Canadians to ask that their government provide them with this fundamental right, the right to have an efficient, effective government. Careless spending by this government and others before it has not been helpful, to say the least. It has put our country in over $500 billion worth of debt and it has left us with a country with a spending problem.

That is why so much funding being provided in all these areas we are talking about has had very dubious results.

We believe that Canadians simply are not getting value for their money. Canadians themselves believe that. In a recent poll published at the end of last week in the *Financial Post*, a large majority of Canadians really felt they were paying too much in taxes and they were even willing to take illegal measures to avoid paying tax because they felt that governments were wasteful, corrupt, inefficient, that programs were not giving value, and that the money they were giving to government was not giving them bang for the buck. It was not worth the money they were giving up in taxes for what they were getting back. They did not believe the management of it was prudent.

When a large proportion of Canadians say openly to pollsters that their tax dollars are being squandered in a way they do not approve of and are not prepared to support and when their tax dollars produce very little positive result and only lead to unnecessary dependency on the part of many Canadians, then it is time for governments to sit up and take notice, to stop spending that money, stop wasting that money, and to demand less of the taxpayer and more efficiency from government departments.

What we have in this whole business of the estimates is government simply saying to departments: "Spend whatever you want. Spend more on your operations, because we do not expect you to do more with less, like other Canadians". This is why we cannot support the government motion on grants and contributions being put forward today.

• (1825)

Bringing spending under control by cuts in grants and contributions is one way to return the country to a healthy, competitive identity that will let us stand proudly on the threshold of the next millennium.

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I was interested in the hon. member's comments in relation to the TAGS program in Atlantic Canada.

I understand her concerns, but it is important that she realize that the process of retraining people who have been working in the fishing industry, which has been so devastated in the last few years by the failure of the cod, for example, and other aspects of the fishery, and trying to institute a program whereby you help people retrain and build them toward the possibility of working in other areas is not an overnight process.

I am not at all surprised that there have been problems and that the training programs have not succeeded greatly in getting people into other industries. If there is someone who has perhaps worked always on fishing boats or in a fish plant and has maybe grade five or grade ten education, they cannot be turned overnight into someone who will to be prospering in the information age. It is a long process and it takes a lot of effort and a lot of investment. It cannot be done overnight.

There seems to be a theory in the Reform Party that says let us cut them off and they will find something else. That is an interesting theory. It may work if they are in British Columbia. There is enough happening in some parts of the country, to some degree at least, so that there are other opportunities. In Atlantic Canada there are some opportunities, but there are not the kinds of opportunities that are going to deal with that kind of situation.

If people who have been fishing all their lives or working in fish plants cutting fish are cut off instantly from all kinds of government support, from the TAGS program for example, then they will not instantly get into a situation where they are to be out there if they have no support. They do not have the money to go west to find a job. If they get out there, what job are they going to take? What would you retrain them for? How long would it take to train a person in that situation to get a prosperous, successful job in a modern economy?

Mrs. Ablonczy: Mr. Speaker, I thank the hon. member for his question, but I am not sure why anyone who suggests prudent spending on these programs can be accused of wanting to cut people off. That is a rather extreme interpretation of what I said about spending the money in ways that really benefit people, in a prudent manner, in a defensible manner, in a way that is accountable to the people who should be able to count on these moneys to do some good.

What do we have under this TAGS program? We have snow crab fishermen who make over $200,000 a year being given extra money from a program that should be benefiting the people who are trying to get out of devastated industries. We have people who have perfectly good jobs in fish processing plants saying: "This is an easier program. This is easy money. Why do we not just quit working and go on this program? We are able to do it".

Will that be helping people? No, it is not helping the people in need. It is wasting money that should be helping people in need. It is the waste and the inefficiency and the ineffectiveness we are talking about, and we are trying to get the government to correct this.

This money was supposed to train people to get out of devastated industries and find jobs somewhere else. As this member rightly says, we should try to help them. What is happening? The money that was supposed to go to training people is now going into income support for people, many of whom do not even need that money and should not be entitled to the money.

Yes, we should be trying to help people if we can. When we have a program that is clearly being mismanaged and ineffectively administered, is helping people who do not need help and not helping people who do, and which has not yet created one long term job for anybody on the program, it should be criticized not just by members in the opposition but by the hon. member who comes from that part of the country where people are outraged. The government is taking money that could and should be helping and it is instead being totally wasted.

• (1830)

That kind of help cannot take effect over night. Any sensible person realizes that. When there is instance after instance where the program is being mismanaged and wasted and not helping people, then we should all be on our feet demanding to know why, demanding accountability of the department and saying on behalf of the people get it right, get it right now.

[*Translation*]

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I would like to make a comment on what my colleague from Calgary North said regarding our public responsibilities, including the fact that programs would no longer be efficient if they came directly under provincial jurisdiction.

There is some discrepancy in what she said. She just stated how important it was to fund training. She also mentioned that with its motion, the Bloc Quebecois was refusing, so to speak, any cuts, especially to the Department of Human Resources Development for the unemployment insurance program.

Since the unemployment insurance fund is showing a surplus, why not allocate this money, which belongs to the workers and the employers, the very same employers who are clamouring for top notch skilled workers—which is what the Bloc's amendment is all about—to training and programs specially aimed at employees and employers, or even give it to the provinces, which are in the best position to use it efficiently? How can she draw a parallel between the Bloc Quebecois not wanting to cut and its wish to train employees and employers?

[*English*]

Mrs. Ablonczy: Mr. Speaker, I thank the hon. member for bringing up that subject. I know it is near and dear to the movers of the motion and the Bloc.

Just because money is being managed by the provinces does not mean it is being managed more effectively. A number of provinces have a very dismal fiscal record of management. That should be honestly addressed.

It is sometimes hypocritical for representations to be made that somehow provinces which are deeply in debt and have some fiscal problems criticize other levels of government.

What I did acknowledge is some of the services and activities were constitutionally put within provincial jurisdiction. They are with in the purview of the provinces and that should be respected. We do have a Constitution. We did have an agreement on these services and it should be respected.

I agree with my hon. colleague when he suggests UI contribution funds should be managed by the workers and employers. He is on the right track. These people are paying the shot and they should be calling the tune. It makes sense and it is perfectly logical.

He is correct when he says services should be delivered on a level closer to the worker. It is more accountable to workers, more responsive to workers, more sensitive to the needs on the local level, and we get away from these one size fits all, mother government knows everything programs. I certainly support his proposal that expenditure of funds for job training and education of workers would be better managed on that level than it is being managed today.

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Nunatsiaq.

Opportunities, growth, jobs, balance, honesty, fairness, vision, responsibility, consultation and compassion; we ran on those words in the last federal election campaign and the government has delivered on those words during the last two years. The Minister of Finance has delivered on those words in the budget. We made commitments to Canadians in the red book. We are keeping those commitments in these estimates.

Canadians told us they wanted deficit reduction with no increase in personal income taxes. The deficit is going down and for the second year in a row there has been no increase in personal income taxes.

• (1835)

Canadians have told us to cut spending. For every dollar raised in new revenues the government has cut $7 in spending. The government is launching the largest restructuring of government spending since the end of the second world war.

In contrast to the recommendations of the Reform Party the government is not simply slashing spending across the board. The government will not choke off growth. It will not throw the country back into a recession.

The government has carefully rethought the role and structure of the federal government. The redesign of the federal government launched by the program review is reflected in the esti-

mates and will result in a smaller and smarter government. Government can no longer be all things to all people.

The program review looked at all areas of government spending with the exception of major transfers to persons and major transfers to provinces. All the programs were reviewed under the following criteria: did the program serve the public interest? Did it involve a necessary role for government? Was it affordable and could the private sector or the provinces do it better?

As a result of the review the government is reducing subsidies to businesses and agriculture. Many government services will be commercialised where practical. The government can no longer afford to intervene directly in the economy. The government from now on must concentrate on creating the best possible economic framework in which the private sector can create jobs.

Canadians told us to revamp our social programs to meet today's needs but to make sure that we respected our heritage of social justice. The government has embarked on a program which will do just that.

The Canada social transfer is not an abandonment of national standards, as some have argued. This transfer will provide more flexibility to the provinces. It will allow them to experiment and find the best way to deliver social programs and reduce administrative costs.

The conditions of the Canada Health Act, universality, comprehensiveness, accessibility, portability and public administration, will be maintained. The government will be working with the provinces to develop a set of shared principles that will underline the Canada social transfer.

The Ontario New Democratic Party has suggested the federal government has abandoned the promises it made in the red book. This is not true. In the 1994 estimates every key commitment in the red book was funded. This year's estimates have maintained the government's commitments. The government will maintain the health of our social programs while getting the deficit under control.

As promised in the red book, the government has begun to bring the deficit under control while at the same time funding the national infrastructure program, cutting unnecessary defence spending, introducing gun control legislation, reforming the Young Offenders Act, establishing a national crime prevention council, taking action to address foreign overfishing, promoting trade with Latin America and Asia.

It is establishing a youth service corps, restoring literacy funding, establishing a national form on health, introducing parliamentary reform to give MPs more influence, introducing legislation to make lobbying more fair and open, reinstating the residential rehabilitation assistance program, establishing a prenatal nutrition program, beginning an aboriginal head start program, establishing a centre of excellence for women's health, restoring the court challenges program, restoring the law reform commission, eliminating, downsizing and privatizing government agencies, boards and commissions.

The government delivered a tough but fair budget. It has spread the cost of deficit reduction evenly across the country. Despite the claims of some Ontario provincial politicians, Ontario did not receive more than its share of cuts.

The government has started Canada on the path to economic renewal, social reform and fiscal responsibility. The government has not solved every problem but it has started in the right direction.

The Prime Minister remarked repeatedly during the last election that a Liberal government would offer Canadians realistic hope. That is the hallmark of the Prime Minister's approach to government and that is the hallmark of the budget.

• (1840)

If we are to offer hope we must introduce programs which will encourage job creation in the short term, in the medium term and in the long term. If we are to be realistic we have to make choices.

I know some people were not happy with the choices made by the government. However, after extensive consultations the government made the tough choices that best reflect the priority of Canadians. For example, if we are to find money to fund research on diseases affecting women or spend money on badly needed infrastructure then tough choices have to be made.

The government is taking steps to ensure our social programs are maintained. Many seniors in my riding of Hamilton Mountain are concerned about the future of their pensions. The government will be releasing a discussion paper on the future of the pension system later this year. The government intends to make the pension system fairer and more sustainable in the long term.

I have spoken to many students in my riding who are concerned about their future prospects. The government is taking steps to improve the employment prospects of today's students. The best means of improving employment opportunities of young people is to provide them with practical experience and job skills. The new youth services corps and internship programs sponsored by the federal government will provide students with the experience and skills they need to succeed in today's job market.

Many people have expressed concern about the changes to the unemployment insurance program. I assure Canadians the Liberal government recognizes the importance of the unemployment insurance program. The government's aim is to allow people to become independent, to increase help for those in

really desperate circumstances. The government's goal is to find the maximum dollars to put people back to work.

Many of my constituents have expressed their concerns over Canada's crime rate. In recognition of Canadians' concern about public safety, the smallest reductions in spending were made in departments dedicated to justice and corrections. The government is willing to spend the money necessary to ensure the safety of all Canadians.

Our goal is to create opportunities for all Canadians from all regions, from all backgrounds and from all walks of life to make the most of their own lives and to help our country seize the future.

In the budget and in other initiatives the government has created the opportunity for us all to seize the future together through growth, jobs, balance, honesty, fairness, vision, responsibility and compassion.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I note the member's commitment to the red book and to deficit reduction is in accordance with what is perceived to be the policy of the government.

Page 20 of the red book, which the member was so willing to put her emphasis on, states there will be a 15 per cent decrease in spending on special services by the government should the Liberals win the election, and they did. However, there has been a $300 million increase in the estimates as proposed.

How does the member reconcile the red book commitment to a 15 per cent reduction compared with a $300 million increase? Is she prepared to vote against these increases when they come up for a vote later today?

Ms. Phinney: Mr. Speaker, the cost of everything has gone up but I still think the cuts we have made so far in the budget and in the government's spending over the last two years are the toughest since the second world war. We have reached the goals we promised Canadians through our red book.

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I listened intently to the hon. member for Hamilton Mountain concerning the estimates. She detailed everything from students to seniors and talked about specific programs.

I have been asking many questions since coming to the House concerning small business and what assistance it is receiving in order to create jobs and get people off unemployment and into jobs. Maybe the member for Hamilton Mountain could expand on that and on how we are going to help small business to get people back to work, where they really want to be.

• (1845)

Ms. Phinney: Mr. Speaker, the question of the hon. member for St. Catharines gives me the opportunity to discuss another important government initiative, the proposed changes to the Federal Business Development Bank.

The changes in that bank are an example of the government's commitment to promote small business growth, innovation and job creation. Many people in small business have told us over the last two years that they have a lot of problems with the banks in negotiating, refinancing and getting new money for their small businesses.

The minister responsible has decided he needs to make some changes directly to the Federal Business Development Bank. These changes have been made as the result of a comprehensive small business policy that was developed in 1994. This institution will expand its operations thereby ensuring its programs and services meet the changing needs of small business today. This institution will be given a revised mandate to develop and deliver innovative responses to small business financing and managerial needs. Small businesses in all the ridings across Canada have expressed the need for this.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I have a question for this member as I do for all of the members on the government side. With all of this talk about cuts, cuts, cuts, why is the total government expenditure up by $2 billion this year over last year? There is an inconsistency here.

Ms. Phinney: Mr. Speaker, I presume the hon. member knows that the interest costs have gone up considerably. We have been consulting with Canadians and we are spending in the areas where they feel spending is necessary in the next few years.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker,

[Editor's Note: Member spoke in Inuktitut.]

[English]

For my colleagues who do not understand Inuktitut, I will elaborate.

I am pleased to rise today to speak on the government's 1995–96 main estimates. When the government was elected one and one–half years ago, we said we would do things differently and we are doing things differently.

The government's main estimates for this fiscal year reflect a tough budget but a necessary budget. They also reflect the results of the program review announced in the 1994 budget. The purpose of the program review was to ensure the government's diminished resources are directed to the highest priority requirements and to those areas where the federal government is best placed to deliver services.

The government is clarifying its responsibilities. We are also reshaping federal government programs so we spend less but provide the best possible service to Canadians within the limits of need and affordability.

We are restraining spending, streamlining operations and changing what government does and how its programs are delivered. We are committed to reducing the deficit and meeting our fiscal targets. We are committed to improving the economic climate so more jobs can be created.

We are focusing on the essential responsibilities: reducing federal and provincial overlap; using technology to become more efficient; promoting self–reliance; recovering more of our costs; and merging programs which are similar in nature for more efficiency. Tough decisions have been made and more tough decisions will be made.

Public sector jobs have been cut. Some programs are being amalgamated; some programs have been cut and some have been eliminated. For the remaining programs and services, the government is seeking new and cost effective ways to deliver them. Because we have to live within our means, we must get rid of inefficient or ineffective programs so we can focus our energies where they are most needed.

• (1850)

I want to stress that the government is committed to ensuring that Canada's most needy do not bear the brunt of deficit reduction measures.

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Among the most needy Canadians are the aboriginal people. It is a fact that the socioeconomic conditions in most Indian and Inuit communities are the poorest in the country. The government is committed to assisting aboriginal peoples to overcome the disparities in living conditions with other Canadians.

The Department of Indian Affairs and Northern Development has been impacted by the budget and program review but not as much as other departments. DIAND positions will be reduced from 300 from the 1995–96 base of 3,237. The reductions will occur at all levels of the department. This is in addition to 442 positions eliminated in 1994–95.

The northern affairs program will be reduced by $15 million over the next three years. Regional economic development programming will be reduced in 1995 one year ahead of its original sunset date. I have to say that the cut to regional economic development programming is a painful one for the north. To create the jobs and opportunities the north needs, economic development is crucial. We have to keep working in this area to further northern development.

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Social housing is another area of great need in the north. The last Conservative budget eliminated funding for new social housing construction. So far financial reality has prevented a major reversal of that budget's impact on social housing.

I continue to be deeply concerned about the poor housing conditions in the Nunatsiaq riding and throughout the north. I know that the Minister of Public Works and Government Services is also concerned as is the Minister of Indian Affairs and Northern Development. I will continue to encourage the government to do what it can to help resolve the north's housing problems.

The budget and main estimates for the Department of Indian Affairs and Northern Development confirm that DIAND will maintain its core roles and responsibilities to Indian and Inuit people, such as education and social assistance. Increases to the Indian and Inuit programs will provide funding for basic services such as elementary and secondary education, social services, construction and maintenance of schools and infrastructure such as water and sewage improvement.

Overall however in light of the government's serious fiscal situation, DIAND's funding will be moderated. It will increase, but not as much as in previous years. Funding for Indian and Inuit programming will increase 6 per cent in 1995–96 and 3 per cent in 1996–97 and 1997–98. The moderated growth is a balance between the need to make changes to reduce the deficit and the need to protect those who need assistance most.

There should be no misunderstanding on this point. The aboriginal people of Canada are the poorest people of Canada. The aboriginal population is also Canada's fastest growing population. The aboriginal population is growing at more than twice the rate of the Canadian population.

The aboriginal population is also a very young population. Over 40 per cent are under the age of 25 and the need for housing, education, and social services are great. While improvements have been made over the years in community conditions and individual circumstances, the fact remains as I said earlier that aboriginal social and economic conditions still remain significantly below those of other Canadians.

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

There is still much work to be done. This government will not abandon aboriginal people. We are continuing to work on the fair and expeditious settlement of land claims. We are investing additional funds in post–secondary education. Education and economic wherewithal through a secure land and resources base are necessary tools for jobs and development and for building healthier and stronger communities.

• (1855)

The government will work with aboriginal people and all Canadians to improve our financial situation, to create opportunities and jobs and build a stronger country.

[*Translation*]

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I would like to thank my colleague, the member for Nunatsiaq. Interestingly enough, there are Crees and Inuit in my riding also and I represent them.

His speech made me wonder about something and, since he is part of the government, maybe he can give me an answer. Transportation subsidies for food and goods destined for the Crees and Inuit, and, in his case, the Inuit in the Northwest Territories, will not increase; some cuts are even planned. There is a high birth rate in those communities; how can these people feed their children adequately?

Transportation subsidies are frozen and since food is often brought in by plane, families go without fresh produce, children do not get the fruits and vegetables necessary to their development. As a member of Parliament, can he explain how his people will find the money necessary for their own development?

[*English*]

Mr. Anawak:

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

I thank the member for the question. Because of the riding he represents, the hon. member is as aware as I am of the high cost of food in the north.

I have been assigned the task of looking at the food mail program. I am to report back to the minister of Indian and northern affairs and the Minister of Health by the fall. I will be assisted by the Parliamentary Secretary to the Minister of Health who probably knows more about the nutritional values of fruits and vegetables, et cetera, than I do. I know the nutritional values of meat. If anyone wants to know about the nutritional values of meat, I can expound on that.

When I was sitting on the other side of the House the government of the day decided to slash that program, to eliminate it over a period of years. There was a cut in the last year but I think it is being sustained until the review is finished.

I assure the member that during the review we want to see how we can improve it. I will be seeking the member's comments on this. We know that money is very hard to come by today, but we want to see how we can improve the program so that we can stretch it out further to the people who have the highest cost of living anywhere in Canada and perhaps anywhere in the world.

I am sure members have heard me expound on the high cost of food in the north. A litre of milk costs $5 and a loaf of bread costs $3.95. There has to be a way to reflect the needs of the people in the north on how best to ensure that they get nutritional food.

• (1900)

As the hon. member is well aware, and we have been expounding on it, the north has to be considered at the same level as the west, the east or central Canada. Therefore the services the people in the west and the east are used to should be available in the north, whether food or other services such as those of doctors, nurses, teachers and so on.

I thank the hon. member. I will be seeking his comments as well, because of the area he represents, on how to improve the particular problem.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, is the hon. member aware that over the last 20 years spending through the Department of Indian Affairs and Northern Development has increased by some 750 per cent, yet conditions in the communities that native people live in have essentially remained the same?

Is the hon. member aware that within the last four years DIAND has committed $1 billion toward native economic development? The auditor general's report last year clearly shows that the effect of that spending has been absolutely negligible in terms of its desired goals. In other words, the demand for social services continues to rise on a steady trend, the unemployment levels continue to rise on a steady trend, and the demand for social assistance increases in real dollar terms. This massive spending by the federal government has been an abject failure.

Would the hon. member agree that maybe it is time to review what the goals of the spending programs of DIAND were designed to do, whether or not they are actually achieving the goals, and whether the whole initiative the federal government has been engaged in for the last 25 years has been completely wrongheaded?

Mr. Anawak: Mr. Speaker, I do not particularly agree the situation is any worse since we have come to power. I should know. I go to my riding as much as I can and I go to other

aboriginal areas in Canada. There is still a lot of work to be done but conditions have been improving on reserves.

I refer to the comments we got from Chief Ralph Caribou of Pukatawagan, Manitoba:

> I am very happy to report that the skin problems amongst our people have decreased considerably this spring.

That is because of the water and sewage program introduced in Pukatawagan. Conditions are improving. There is a lot of work to be done and we are doing it.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I am pleased, as official opposition critic for youth and training, to talk about the motion introduced by my colleague for Mercier and dealing with the Department of Human Resources Development estimates, more particularly with employment services.

The first thing I would like to say is that grants and contributions under the employment and insurance program are presented in a misleading manner. Looking at pages 12.6 and 12.7 of the main estimates, you might think that grants and contributions to the program have increased from $1,281,552,000 in 1994–1995 to $1,354,381,000 in 1995–1996.

• (1905)

However, the total of grants and contributions for 1995–1996 includes grants to individuals under the Atlantic groundfish strategy, as well as contributions to provincial governments for the older worker adjustment program which were not there previously. The same amount for 1994–1995 does not include these grants and contributions and that explains the increase from one year to the next.

If you take these two items in consideration for both years, the total of grants and contributions decreases from $1,614,444,000 in 1994–1995 to $1,354,381,000 in 1995–1996. It is therefore a decrease of $260 million or about 16 per cent. The most important cuts are in the employment programs and in the Atlantic groundfish strategy.

We are particularly interested in the cuts in the employment programs. As the auditor general has often said, the departmental expenditure plans are more a way of hiding things than of informing people. The Department of Human Resources Development is more guilty than others in that regard, since it is presenting the information in a confusing and incomplete way.

When the time comes to collect taxes, the federal government is very clear. But when it has to explain what it does with the money, all of a sudden, everything is obscure.

Table 6, on page 2–24, shows that Quebec is not receiving enough of the employment programs' funds. According to these statistics, Quebec gets, in fact, 21 per cent of the federal funds in that field, when it accounts for 24 per cent of the Canadian population.

The Department's estimated manpower training spending, funded by the unemployment insurance fund, should reach about $1.9 billion in 1995, $521 million of which is for Quebec, which represents, in this case, a little more than its share of the Canadian population, that is 27.4 per cent of the total spending.

Since, in 1995, the regular benefits in Quebec cost $3.4 billion out of a total for Canada of $10.3 billion, which amounts to 33 per cent of the total, Quebec stands to lose $113 million.

Moreover, the federal government perpetuates duplication and overlap by putting in place new programs, such as the youth service corps and the young trainee program. It shows clearly that Ottawa does not want to get out of that area of provincial jurisdiction. As well, the federal government tried to interfere in the area of education last fall by creating the fund for initiatives in the acquisition of knowledge and the office of learning technologies.

Even if the federal government is hiding its intervention by avoiding the word "education", it is precisely in that field of provincial jurisdiction that it wants to intervene more and more actively, as we can see from the new initiatives.

Speaking of figures, I would have liked to dwell more on the resources given to young Canadians, but I must say that getting those numbers is not easy. I am not talking about what was announced in a press release, for example, when the minister made public a certain number of initiatives last year. They were implemented later on, but we could not get the figures and details on where these services are offered and how much money was spent.

We were unable to get the figures for this year and last, although we asked for them on several occasions; we even asked the minister when he appeared before the Standing Committee on Human Resources Development. We can wonder why budget estimates concerning programs related to youth initiatives are not included in the government's estimates. Yet, they involve expenditures of several millions. This is also true in other areas of the department.

• (1910)

Thus last year we had to call each and every manpower centre in Quebec to ask for the amounts of money available for manpower development programs in the whole of Quebec because there was no breakdown of this information by province.

A few weeks ago, at the Human Resources Development Committee, I also asked senior officials about cuts in the amounts allocated to education support. There is a $262 million reduction from 1994–95 to 1995–96. Again last week we were

told that we would get the answer a little later because all the information had not been compiled.

Is the answer so complicated that the minister, his staff and his high officials are not able to give us an answer? Or is it because they have something to hide? If public servants cannot cope, why cut 5,000 jobs at Human Resources Development, a department which is precisely committed to finding jobs for those who are out of work, the unemployed and welfare recipients? We could also ask why new structures like the Youth Service Corps are created if we are about to close manpower centres?

In Quebec the minister says that the decision has not been taken. Yet, all employees presently working in Labour Canada centres already know that there will be a reduction in the number of manpower centres in Quebec. The number of regional centres is expected to drop from 100 to 30. This is not very encouraging for people who would like to receive employment services from the Department of Human Resources Development.

The department is cutting its spending, but is also cutting grants to organizations dedicated to employment development, particularly among young people. In the last two years, a 15 per cent cut has been announced. Yet, these organizations had a placement rate of 75 per cent, which is significantly higher than many government services. What happened?

Contracts are for one year only, and we saw recently, at the end of the fiscal year, that the minister delayed giving an answer for the current year, with the result that, in some cases, it took two weeks to get an answer for the current year, with a warning that, this time, the contract would end on March 31. So, this suggested that further cuts might be made in the next budget. Of course, such cuts were announced in the budget. This suggests that further cuts will be made, beyond this 15 per cent.

Meanwhile, as the government wants to make cuts to manpower centres in Canada and has already announced some cuts in the positions of counsellors, the very people who are there to help the unemployed find jobs, as it is cutting grants to organizations dedicated to employment development, particularly among young people, by 15 per cent, last year, it set up a new program called the youth service corps. I want to remind people that this is a new name given to a previous program, killed by the Conservatives when they took office, which was called Katimavik. This program seemed to be very dear to Senator Jacques Hébert, whose hunger strike conducted on that issue was extensively commented on by the media.

Katimavik was re–established under the new name of youth service corps, but for what purposes? Occupational activities for youngsters like cleaning river banks, community projects, some travelling. In the meantime, very productive organisations providing help to people looking for a job had their budget cut.

• (1915)

Some are very clever when playing with numbers. For example, the minister told us not long ago that larger amounts of money were invested in the creation of summer jobs for students. It is always the same thing. He gets this result by adding data from the summer component of the young Canada works program and from the challenge program, which now has a new name. By compiling these data, he is able to claim that we spend as much and maybe more than last year on summer jobs for young people, although Young Canada Works is intended for much younger people and is offering activities which have nothing to do with any future occupation.

As I just demonstrated, in the area of social programs, the government tried to give less money, provide fewer services, and allocate fewer resources to help people find jobs. What is even more serious, however, is that the government—despite trying to blame the situation on its efforts to reduce the deficit and repay the debt, which will soon reach $548 billion—is pursuing another strategy that is totally inconsistent with this. It is trying to interfere to a greater extent in areas of provincial jurisdiction, as it did yesterday by passing Bill C–76.

In addition to implementing some budget provisions, Bill C–76 allows the government not only to maintain health care standards but also to set new national standards in education and job training.

I am talking about the bill that was passed yesterday, but we saw it coming as early as last year, when the government clearly stated in its first budget its intention of moving in this direction. Besides the government, there are the advisory committees such as the National Advisory Board on Science and Technology, which, in its report submitted to the Prime Minister in May 1994, states that it is imperative that national standards of excellence be set with regard to the acquisition of skills and knowledge essential to good economic performance. After recently reading this little known report and checking with this advisory board, we realized that this study was done at the request of the Prime Minister's office.

Since federal funding for education comes mainly from the Human Resources Development Department, one would have expected this issue to be referred to the committee responsible for this department, on which I sit, or another related committee. Instead, it falls to an advisory committee on science and technology to examine the issue, at the Prime Minister's specific request.

If this report was completed in May 1994, this means that it was in preparation for a number of weeks or months before that. It is obvious that, almost as soon as it came to power, the new

government had the clear intention of interfering further in the area of education.

I recognize two government members who were on the team assigned to travel across Canada. They noticed, as I did, and this is a fact, that as far as national standards on education and other matters are concerned, throughout Canada except Quebec, and more in Alberta than anywhere else, people expected the federal government to step in because they were getting the feeling that their provincial government was going to the dogs and starting to cut social programs. I realized that, in the rest of Canada, Canadians did not care as much as we do about the fact that the provinces have exclusive jurisdiction over certain areas, such as education, health and social assistance.

• (1920)

However, in Quebec, the committee was able to see that it was just the opposite. Because of our distinctiveness, culture and history, because we are a nation, we want education to remain under provincial jurisdiction in Quebec.

The rest of Canada may change its views on social programs or education if it pleases, but we want to manage all of that ourselves. Since World War II, the federal government has been using its spending power, its power to collect taxes and redistribute funds in the areas I just mentioned: health and education in particular. It dips in the pockets of every taxpayer in Canada, including Quebec, to pay for that.

We demand our share, there is nothing wrong with that. Ideally, you know, tax points should be transferred to us. This is what we want. Quebec's National Assembly is unanimous in requesting this. Our claims began not even under the PQ government, but under the previous Liberal government. On many occasions, we asked for all our tax points for education and for job training.

I spoke about youth unemployment. We must not forget that more than 400,000 Canadians under 24 are presently unemployed. In Quebec, where 18 per cent of young people in this age group are unemployed, the situation is particularly worrisome. Add to that people on welfare. After last year's budget, unemployment rates have gone down, but because of cuts in the UI program, there are few additional jobs available.

That is why the Liberal member for Notre–Dame–de–Grâce voted yesterday against his own government, claiming that social programs are being destroyed. Referring to his long experience in the House, he said that the proposals were completely contrary to what was done under Trudeau and Pearson. Everything they did was destroyed in two years. He opposed the measures with good reason.

I am not of those who encourage parliamentary dissent, but in view of the reasons given by the hon. member, I think that it is worth mentioning.

Unemployment insurance cuts are being made in three ways: by extending the eligibility period, by shortening the benefit period, and by reducing the benefit rate. More and more unemployed can no longer claim UI benefits and are forced on to the welfare rolls.

Mr. Speaker, allow me to mention a particular case in my riding, which reflects the unemployment situation and which we have not heard from in quite a while. I am referring to the MIL Davie shipyard. Two years ago, 3,000 people were working at that shipyard which, like Saint John Shipbuilding, used to build frigates, military vessels. However, the number of orders has dropped since the end of the cold war.

As you know, during the election campaign, the government now in office promised "jobs, jobs, jobs". Yet, the figures show that there are no more jobs now than before. Moreover, a large number of existing jobs are not secure. Young people and women seeking to rejoin the labour force are the two groups most affected by this situation.

• (1925)

What happened to the shipyard? Nothing. The federal government indirectly gave $30 million to the Magdalen Islands shipping company for a used vessel. The Quebec government decided to do something and have a new vessel built, so as to create a number of jobs.

However, it is terrible to see 3,000 people in a riding like mine suddenly lose their jobs. Yet, since the local Canada manpower centre, along with Quebec, set up a reclassification committee, the unemployment data for the Quebec City region were not overly affected. There was a 0.4 per cent increase over a one year period. So the unemployment rate went from 12.4 per cent, in 1994, to 12.8 per cent this year.

MIL Davie workers were affected by the UI cuts. In Quebec, and that includes the Quebec City region, an additional 31,000 people are on the welfare rolls because of the cuts to the UI program.

I know that some questions will follow. This will give me an opportunity to conclude.

[*English*]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, the hon. member opposite mentioned that two fellow members of the human resources development standing committee are in the House. This reminds me of last November or December when our committee held hearings in 27 cities. I mention 27 cities to my hon. friend because some of us visited different cities. We held hearings in 27 cities in 35 days in 10 provinces and 2 territories, including

the eastern Arctic. If anyone thought that was a complete holiday I would ask them to try to do the same thing.

My hon. colleague reminded me of the evenings. I especially remember one evening that involved a 45–minute trip from the airport in Sudbury to the hotel. It was cold and snowing but we had the most beautiful Christmas carols with a bilingual rendition supplied by the hon. member and the Parliamentary Secretary to the Prime Minister who is here now beside me. This bilingual rendition of "Silent Night" should have been cut on a CD. I am sure our sales would have been very high.

We got along very well most of the time. The hon. member tells us that HRD is closing down employment centres across the country and there will be less points from which people can get services. I wonder if the hon. member has been listening to the minister who is always so prompt and efficient in telling about the future.

There will be more centres for information, more access points in Canada than ever before. Kiosks will be set up. Canadians will get better service than they have ever had before.

The hon. member mentioned the government is cutting back on bureaucrats and on civil servants. Does the hon. member not have confidence in the dedicated civil servants who will do a great job to take up the challenge to provide the best services possible to all Canadians?

The hon. member might realize that during those hearings in Quebec, as in all parts of Canada, there was one thing the people asked of us. They wanted hope and to see a light for the future. They wanted jobs and a chance to get back into mainstream Canada. They wanted their self–esteem to be improved. They wanted opportunities.

I recognize my colleague as having a lot of talent, but would the hon. gentleman focus on getting our fellow Canadians back to work rather than trying to tear the country apart?

• (1930)

With the talents that are sitting here opposite us, what a difference we could make if we did not spend hours and days and months trying to destroy what our forefathers have put together.

I dare say that if you go out on the streets of your home town or I do in my home town, our citizens have nothing against each other. They would like to live in peace and harmony and be able to feel that we are part of this one great country.

[*Translation*]

Mr. Dubé: Mr. Speaker, my hon. colleague, who is a fellow member of the Committee on human resources development, is right to recall something that happened at Christmas time. Members of different parties sang together. This shows, on our part at any rate, that our intention is not to fight against individuals, against other Canadians, because we do not dislike them, we do like them, even though some are even more likable than others. We like them a lot and we feel that some of them do like us too.

That is not the problem. The problem is with the system, a two tier system, a federal system that might be suitable for the rest of Canada, but not for Quebecers. Even though you do like us, even though we keep repeating the same things to you, you do not understand how important it is for us to manage the areas of provincial jurisdiction mentioned in the constitution, like education. Yet everything was spelled out in this contract concluded in 1867 between the two founding peoples which had agreed upon that.

You know very well that since World War II, the federal government, through its spending power, has been interfering in areas of provincial jurisdiction, and Quebec resents that. Yes, we are a different people, even though we do like you. This is not about fighting each other. That is why the Bloc Quebecois has stressed the need to maintain an economic union with the rest of Canada, and to propose such a union.

As for the management of public finances, and our taxes, as for what we feel is important to us like education and job training, we would like to manage that by ourselves. We are telling you again. You do like us, but you do not understand. If the minister or his predecessors understood or cared to give the impression they understand, the problem would easily be solved. The government could take the funds earmarked for occupational training, give tax points to Quebec, and set national standards for the rest of Canada.

We are not trying to paralyse the rest of Canada. We simply want to use the powers that were granted to us in 1867. Those are Quebec's historical demands.

The hon. member for Brome—Missisquoi is well aware of that, since he is from Quebec. All Quebec governments, including the Liberal government of which his brother was a member, demanded that tax points for occupational training be handed over. He should understand. He knows what this is all about. But there is the party line. The party line held fast despite all the demonstrations witnessed by my two honourable colleagues who sat on the human resources development committee. Yesterday, they voted with the government on Bill C–76 implementing the budget, despite all they had seen and heard, like tables being overturned in Montreal, and demonstrations in Vancouver.

I went to 23 of the 27 cities you mentioned, and you know perfectly well that there were demonstrations in all of them. People do not want cuts in social programs. They say our deficit and our debt are not due to social programs, and that the roots of the problem are to be found elsewhere, particularly in our tax system.

The Acting Speaker (Mr. Kilger): Before resuming debate, I remind the hon. members that they should always address the Chair.

[*English*]

I remind colleagues on both sides of the House to make all your interventions through the Chair and not directly to one another. Maybe not today, but in another debate on another day it could be very useful that we follow the best parliamentary traditions of this House.

● (1935)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am honoured to speak in support of full supply for the 1995–96 main estimates.

In the preparation of these main estimates, the government made not only the tough spending and program choices necessary to meet its fiscal targets; equally important, it has taken steps to ensure that control over spending becomes a permanent feature in the management of the government's programs.

As announced by the President of the Treasury Board on February 15, 1995, a new expenditure management system, EMS, is being implemented. This represents the most significant overhaul of the government's expenditure system since the early 1980s.

EMS is a system designed to ensure that we keep spending under control and provide the best programs and services possible within the resources available. Among its key features, EMS emphasizes the ongoing review of programs and managing through reallocations. This is significant because new initiatives as well as most cost increases in existing programs will be financed through reallocation from lower priority programs.

The central policy reserves, which were traditionally a source of funds for new initiatives and did not encourage the ongoing review of existing programs, are being eliminated. A contingency reserve will continue to cover the risk of statutory expenditures exceeding their projections. It would be used, for example, to respond to changing economic conditions. In addition, the Treasury Board will continue to manage a small operating reserve. However, the role of the reserve will be altered from funder to banker. Departments borrowing from the operating reserve will have to repay advances with interest in future years.

In addition, in cases where reallocation is not feasible priorities for access to the operating reserve have been established. In considering requests priority will be given to funding bridge financing projects that offer significant productivity payback, meeting urgent health and safety requirements and protecting the essential integrity of critical programs and the capital asset base.

To ensure that we stay on track and reduce the deficit and meet our fiscal targets program planning will become more closely integrated with the budget planning process. Decisions on new initiatives and major spending reallocations required to finance these new initiatives will generally occur during the annual preparation of the budget.

The establishment of program review and resource allocation as an integral part of the budget process means that the opportunities to propose new spending will be reduced. Ministers are called upon to manage within the resource limits of their respective portfolios.

The government recognizes that funding through reallocation of resources calls for a more strategic approach to resource management at all levels. For this reason, the EMS requires the preparation of departmental business plans. In these business plans, departments are responsible for determining how existing programs must be changed to meet expenditure targets and new government priorities.

The multi–year time frame of business plans will encourage departments to look ahead and examine the major directions and objectives that should be pursued for the planning period, which is the estimates year plus two future years at a minimum.

A major focus of the business plan is the identification of strategies to bring about the major changes and adjustments that are needed. Other elements include the goals, targets, and performance measures that will be used to assess program results and performance information concerning areas affected by the significant changes.

In addition, it is important to note that the business plans take an integrated approach to the management of change by examining all functions that are central to the department in making business adjustments, whether they be financial, human, technological, or capital. Business plans will help departments and central agencies plan in an organized and methodical way to make the adjustments required to get government right during a time of rapid reductions in resources. Furthermore, these plans will enhance the information available to Treasury Board ministers. Decisions on Treasury Board submissions will be made in the context of strategic perspective and clear business direction for each department and agency.

Members of the House of Commons will also be able to review the overall thrust of departmental programs over a multi–year period. In February 1994 the government introduced changes to our Standing Orders of the House of Commons, including Standing Order 81(7), which states:

> When main estimates are referred to a standing committee, the committee shall also be empowered to consider and report upon the expenditure plans and priorities in future fiscal years of the departments and agencies whose main estimates are before it.

• (1940)

To assist members of the standing committees in carrying out their responsibility to consider and report on departmental expenditure trends and priorities for future fiscal years, ministers will provide the departmental outlook document directly to the chairpersons of the respective standing committees.

The departmental outlooks are based on the results of the business planning process. They will describe management and operational strategies departments intend to pursue over a multi–year time frame in order to make whatever fiscal and policy adjustments are necessary to deliver government services.

I am confident that parliamentarians will have a better perspective on the issues facing the government and the downstream implications of government spending as a result of the introduction of departmental outlook documents. Departmental outlooks are one example of the government's efforts to improve information available to all parliamentarians on government programs.

The government is also striving to enhance the performance information that is provided to Parliament. In recent years departments and agencies have been developing service standards in order to advise the clients of government programs what level of service they can expect in terms of timeliness, accessibility, reliability and responsiveness, and what action to take if service does not meet these standards. All departments and agencies will have developed standards for their primary services by the end of 1995. The publication of departmental performance in relation to these standards has already begun.

With the expenditure management system parliamentarians have an opportunity to become fully engaged in expenditure planning. Consultation with Parliament is in fact one of the guiding principles of this approach. Parliamentarians will be able to support ministers and their departmental officials in their efforts to reallocate resources and meet our target of reducing the deficit to 3 per cent of gross domestic product by 1996–97.

The government will be consulting us on important initiatives designed to provide better information to Parliament while enhancing the accountability and flexibility of departments in managing their resources. In particular, I would draw your attention to the reform of the estimates currently under consideration. The introduction of departmental outlook documents emphasizes the need to rationalize reporting to Parliament. The current form and context of part III of the estimates and the departmental expenditure plans were derived from information needs defined by parliamentarians over a decade ago. Parliamentarians should now take the time to comment fully on how reporting to Parliament could be improved. The question to consider is how does the government ensure that the part IIIs meet the information requirement of parliamentarians today without placing an undue reporting burden on departments or agencies.

In addition to part IIIs, the reform of the estimates will focus on a number of related issues where changes may be introduced to create flexibilities and incentives for departments to manage their resource requirements through reallocation. The option of increasing the vote threshold for separate capital expenditures, grants, and contribution votes is a good example of the changes being considered in the context of the reform of the estimates.

The current threshold of $5 million was established in consultation with the standing committee on public accounts during the 1970 reform of the estimates. Over the past 25 years the number of separate votes has increased, in part simply as a result of inflation. To expand managers' flexibility to reallocate resources we should consider increasing the threshold at least to a level that would take into account the impact of inflation on capital expenditures, grants, and contributions.

A related option being examined is the possibility of establishing an operating budget vote. Minor capital expenditures are considered to be part of the operating budget. However, for departments and agencies with separate operating and capital votes minor capital expenditures are included in the capital votes. An operating budget vote would allow managers to use the full flexibility of the operating budget to transfer funds between minor capital, operating, and personnel expenditures.

In summary, the new expenditure management system will provide for ongoing review of programs and spending to reduce expenditures and identify opportunities for reallocation to higher priority programs. It includes parliamentary and public input into the budgetary process. It introduces better strategic planning and a process for adjustment programs and services through the implementation of departmental business plans. It also improves accountability through a focus on making better performance information available to Parliament and the public.

• (1945)

I remind members the overhaul of the expenditure management system formalizes the approach the government has taken to decision making on spending, namely financing, through reallocation. It is a major step forward in fostering greater fiscal responsibility and making the best use of taxpayers' money in delivering high quality service to all Canadians.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I enjoyed the talk from the hon. member about the new expenditure management system. I think there are, at least potentially, some innovative and good ideas from the government. It remains to be seen how that will be played out in the actual budgetary process. At least on paper there seems to be

some hope and optimism for improvement of the budgetary management system. For that we should all be grateful.

I am wondering if the member would comment on what we are doing tonight, working late on the estimates. It seems to me one other improvement to the system could be that instead of voting on the whole sum of the estimates, to vote on a reduction in the estimates. In other words, if we wanted to reduce the estimate by a million dollars, we vote on the reduction rather than voting on the whole block sum, which means we either have zero expenditures or the entire sum the minister would like.

I wonder if he thinks the estimates procedure would have more validity with the Canadian public by allowing some input at the end of the process instead of only at the beginning of the budgetary expenditure process he talked about. Does he think that is a good idea?

Mr. Szabo: Madam Speaker, I thank the member for noting that a number of ideas and proposals have been tabled by the government with regard to the expenditure management system, many of which I outlined in my comments.

We are working late. We expect the debate will carry on until 10 p.m. We have votes following that. I understand there are some 63 votes.

The House through its co–operative approach to House business has adopted a new approach to deal with the votes members take here. The other evening we did manage to get through some 19 votes in a very short time. That is the kind of example that bodes well for the suggestion the member has made that possibly the entire process of the estimates tabled by the President of the Treasury Board could be streamlined so that we could put some focus on those areas, particularly where changes, adjustment or reductions are being proposed by hon. members, and that the debate be focused on those items.

That is a productive approach and I encourage all members to make that input in the House and directly to the President of the Treasury Board. I am sure productive suggestions such as that will get very careful consideration.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Madam Speaker, I listened carefully to the speech made by the hon. member who described briefly the management control system the government is trying to set up.

Indeed, this is an issue that concerns all hon. members. As elected representatives, we wonder how to regain control over the bureaucracy, to get more leeway in our dealings with the public servants and, especially, to be advised in a more timely manner of the decisions that need to be made. How are we to explain the difference between the commitments made by the current government when it took office and the very few achievements it has made since then and the results it got, especially in terms of job creation, if not by pointing out the influence of the federal bureaucrats?

• (1950)

I would like to know if the hon. member would, in order to show that the government is acting in good faith, be in favour of implementing the new management system right away in two specific instances, the first being the following. Some decisions found in this year's budget will only come into effect in 1997–1998. For example, the experimental farm in La Pocatière will be closed on or before March 31, 1997. Under these circumstances, could it be possible to review this decision during the new prebudget consultation process, so that if we were to realize that the decision is wrong, we could try to convince the government to reconsider?

To conclude, I would like to give you another example which deals with the reorganization of the employment centres. As a sign of good faith, could the government refer the reform proposal prepared by its bureaucrats to the hon. members, so that they could express their views on it before the decision comes into effect?

[*English*]

Mr. Szabo: Madam Speaker, I thank the hon. member for the comment. I think the important principle here is that when the government considers changes to the way it operates, its procedure and expenditure management system and many of the decisions referred to by the member, it consults. It has consulted extensively right across the country. The important phrase is to get government right. It has to be done properly.

The direction of the government and the proposals it has put forward will more fully implement the will of the House to get government right.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, it gives me great pleasure to enter this debate on supply. The theme of my dissertation will be how to improve the accountability of government programs and make the systems more efficient.

I have often wondered coming to the House how it was possible that Canada created the debt it has today. I think it is $550 billion and rising. I have often wondered who was controlling the cheque books and why it was so easy for the debt to accumulate, seemingly without the knowledge of a lot of the people in control.

Did people actually ask for all the services they received, or for some reason did the system actually give them services they did not request?

No one seems to have taken responsibility for our spending behaviour in the past. The government is now doing that, taking

control of expenditures and trying to find ways to effectively reduce them.

Has the Treasury Board in the past acted as a comptroller? Time and again in investigating the role of the Treasury Board I have discovered it often delegates authority to individual departments. Invariably departments seem to control their own expenditures. Individual departments historically have overspent. In the private sector if that were the case we would expect job losses and all kinds of negative connotations. Overspending in the past seems to have been a merit system. As the department spent more money it became larger and larger.

Studying the estimates is very difficult. I know members have a great deal of difficulty going through individual estimates to get a handle on how government spends. I am looking at the estimates and I see three lines. One is the 1995–96 estimates, one comparison column is the 1994–95 forecast, one is a 1993–94 actual. None of these three columns is a place in time. None compares estimated to actual expenditures. It must be very difficult for members of Parliament and others reading these documents to make any sense of where expenditures are occurring and where we have overshot our original estimates.

• (1955)

How can we make government accounting more understandable? I know we are moving slowly to set up an accrual system within government and to record assets. What do I mean by that? Currently the accounts of Canada are kept on a cash basis. We only record things when we actually pay for them and we only record revenue when we actually receive it.

I am not trying to demean farmers but they have been keeping their records on this matter for the last 100 years. It seems the business of government is big business and we need a better methodology of capturing what governments are doing. A more understandable methodology would be instead of focusing on the expenditure system we now have, we possibly think about revising it. What do I mean by that?

We should look at two aspects of expenditures, investments and consumption; in other words, governments spend and what do they spend on. They spend in forms of investment, which is education, training, anything that upgrades the skills of the country.

The other expenditure is finance consumption. We look at programs like the Canada pension plan, unemployment insurance, transfer payments in support of social services. These are all programs in essence that finance consumption.

If we could look at government accounts from a more focused point of view and ask ourselves whether it an expenditure for investment or an expenditure for consumption, we would have a better concept of how governments spend and more effectively how governments can spend so they are actually putting some good back into the economy. For instance, do we want to spend money on training or do we want to spend money on unemployment insurance? Clearly our focus should be to upgrade skills, possibly focusing on high school students who have dropped out of the educational system and upgrading their skills so they can get back in the workforce.

If we undertook an accounting system a little more focused it would give us a better idea of how governments spend and why. Clearly we have to reduce total expenditure but while we are reducing total expenditure we should also consider a shift from the consumption side of government to the investment side.

Today I was pleased to introduce a private members' bill. Since it deals almost exclusively with this very area, certainly a coincidence, I cannot help but resist in speaking a little about what that private members' bill would do to increase the accountability of government programs.

The bill basically requires all new programs entered into by the government, individual departments presenting programs to the House, prior to their being presented, be properly costed. Properly costed means they also have a certification by the auditor general that the methods of projecting costs were appropriate. This goes back to some of my original comments.

How did we get into the problem of overspending in the first place? It seems we have fallen into a lull where we bring in programs that sound good, somebody says they cost a certain amount but nobody really knows because they have not taken the time to do that properly, and two or three years later when the bills start coming in we discover the thing is way out of hand.

• (2000)

The bill would also take these programs and cost them on a per capita basis. In other words, each individual in the country would know that he or she is paying *x* number of dollars as a share of this program. That may give individuals in the public domain a better perspective of what they are paying for these programs.

People feel very removed from the estimates and other aspects of government financing. They feel it is not their money. Many people believe in magic, that somehow things happen magically either in Ottawa or the provincial capitals, that somehow the money coming back to them is not really theirs but the next door neighbour's or someone else's. If there was a proper accounting system that costed programs on a per capita basis, people would take more of an interest in the kinds of programs governments are announcing.

Other aspects of government must be encouraged to create competition. Competition can be created within government, within departments and also between governments and the private sector. Competition will also breed efficiency.

In addition, a very important aspect of spending in the federal domain will be to affix responsibility. In other words, line managers should be responsible for their expenditures. We should also consider remuneration partially based on successful management of programs.

I had a very interesting tour of a Darlington nuclear reactor which is in my riding. I was very surprised at what Ontario Hydro of all places has done. It has actually made individual managers responsible for the number of kilowatt hours produced in that plant. If the managers are under they lose part of their bonus. This marks the way we should be dealing with our expenditure programs as well.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, when the hon. member started his intervention he said he was reflecting on how Canada got to be in the debt situation it finds itself in today. He was somewhat perplexed. He was wondering who had control of the cheque book.

I am a little amazed this member would think the Reform Party would be so naive that we did not know who had control of the cheque book. Does the hon. member recognize the names of MacEachen, Turner and Chrétien who all had control of the cheque book in the seventies and the eighties while this debt was being racked up?

I find it amazing that Liberal members in the House will ask how did Canada get into the situation that it is in today and will start pointing fingers at the Tories and others and not be willing to shoulder the blame themselves, because the blame falls squarely on their shoulders.

Mr. Shepherd: Mr. Speaker, I thank the member for his comments. It is unfortunate we have to take a serious matter such as government financing where we are all trying to find solutions to Canada's debt problems and turn it into a political charade.

The reality is all western countries: the United States, the United Kingdom, all OECD countries, during this same period of time ran significant deficits. It is not a unique Canadian problem. It is not related particularly to the Liberal Party, the Tories or anybody else. It was a symptom that occurred in North America and Europe, in fact, in most western countries.

I am trying to find out why it happened so it is not repeated. That is enough of an acknowledgement. The reality is we cannot talk about the past forever. We have to get on with the future, which is what the government is trying to do. It has a very good plan and it should be supported.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I am pleased to be able to ask a question. It is absolutely amazing that the hon. member does not understand how it happened. It is really very simple how it happened. If the government spends more than it takes in it will end up in a deficit situation. If the government keeps doing that every year, time and time again, the answer is that the debt gets larger and larger.

• (2005)

The member then makes the comment that perhaps since all the other nations are in that situation Canada would be in that situation too. This reminds me a little bit of a farmer who says: "Just because my neighbour drove his tractor into the ditch I should too". That does not make any kind of sense at all.

I suggest to the hon. member that the way this happened was that governments spent more than they took in. When are we going to be independent and responsible to the taxpayers?

Mr. Shepherd: Mr. Speaker, I thank the hon. member for his comments. I do not think he can give me any lessons in mathematics on things I already know and that is obviously that deficits occur by the very fact that more money is spent than is brought in.

The essence of the member's question is that he does not seem to have been sitting in this place for too long or maybe he has been away. The reality is that there are significant reductions in government expenditures. The Western Grain Transportation Act will affect his constituents. The Atlantic freight subsidies have been eliminated. There have been substantial changes in attitude toward privatization. Canadian National railway is being privatized. Numbers in the civil service are being reduced. Therefore, the reality is that expenditure reductions are occurring.

The government is taking a balanced approach to this. I do not think it can cut to the point where it would actually push the country back into a recession. The growth rate in the economy right now is somewhere between 3 per cent and 4 per cent which increases government revenues. Therefore, it is a balanced approach between expenditure reductions and, at the same time, attempting to get the economy to grow.

The Reform Party would take a slash and burn approach so that the 3 per cent figure would turn into a recession and everybody in the country would be back on the unemployment lines.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I want to make a couple of points.

First, I would like to try to distance his comments from the Prime Minister who was finance minister as these deficits started increasing dramatically. If the member would at least acknowledge that an error was made at the time and that the

government was going to try to correct the error, he would be moving in the right direction.

The second point is that to make a statement that the government has lowered its spending is totally out of line. Spending in this budget, by the government's own figures, has increased by about $1.5 billion. Therefore, let him be accurate about the budget. I would think this member would know this.

Mr. Shepherd: Once again, Mr. Speaker, the Reform Party has a lot of difficulty with mathematics.

Essentially the expenditure increases are increasing at a decreasing rate. This is the first time that has happened. The last two budgets that the government has been involved in it has actually met its targets. It is the first time that I can remember in my lifetime when not only did it meet its budget targets but actually exceeded them by $4 billion. This is a success story, not a failure.

Reform members want to go back and study history. I think this is what is wrong with them, they are not forward looking. They do not understand how we are to solve these problems because they keep looking back in the past.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I wish to inform you that I will be sharing my time with my colleague from Skeena.

It is clear to everyone but the Liberal government that its 30 years of social engineering experiments have failed and failed miserably. The main reason why social programs have become unaffordable and unsustainable is because they create greater and greater dependency on social programs. No matter how these programs are designed, the end result would always be the same. More and more people would use the system and eventually it becomes unsustainable. The government can no longer afford to pay the huge sums of money needed to satisfy everyone's so–called needs. This is why half of the people on welfare today are described as employable. That is why the unemployment insurance program actually creates unemployment.

• (2010)

I will give an example of some of the things that the auditor general has said in his 1994 report. He said: "Rising social program use and high repeated use suggests that social programs may be creating long term dependency among some users". Here is something else the auditor general said: "Disincentives to work are created when benefits from social programs compare favourably to earnings from jobs". He also said: "Employers and employees may be using unemployment insurance to support short term layoff strategies". "Interactions among social programs may result in programs working at cross purposes to each other". Finally, the auditor general said: "Unemployment insurance may be a factor in Canada's rising level of unemployment and in the lower level of outputs that result".

Today we are debating a motion which will authorize the government through the Department of Human Resources Development to spend over $1.3 billion. The same lack of thinking that the auditor general reported last year is evident today.

The government is proposing to spend $55.3 million on grants to improve employability and promote employment opportunities. It can provide no proof that the money it has spent on such grants in the past has improved employability and yet it continues with this program. It can provide no proof that the millions and millions of dollars have actually resulted in promoting employment opportunities and actually have resulted in real jobs.

If this motion passes, the government will spend over $1 billion on grants to the sectoral training fund and on payments to facilitate the efficient functioning of the labour market, whatever that is. Study after study shows that make work projects do not create jobs. Study after study shows the government's training programs fail to train people for real jobs that are needed by the private sector.

The government cannot predict where the job vacancies will be next year, let alone five or ten years from now. When will it realize it should leave the hard earned tax dollars in the taxpayers' pockets and let individuals pay for the training they think they need? When will it realize it should leave the hard earned tax dollars in the hands of employers so they can run their own on the job training programs which are far more effective than any other type of training?

The government wants to force people into institutions to take training for jobs that are downright scarce or non–existent. It pays for training and employment programs because it supports the status quo. These programs actually support a huge bureaucracy that could not survive if it were judged on effectiveness and results. These programs support government handouts to special interest groups that are also more interested in the survival of their own organizations than they are about the workers they purport to represent.

The vote on this $1.3 billion of taxpayers' hard earned money is an admission of failure by the government. It is an admission that it is committed to repeating the failed policies of the past 30 years. It is an admission that it has no new ideas about how to get people back to work.

The government knows the only way to create real jobs is to reduce spending, balance the budget, reduce taxes. Reducing taxes creates real jobs. Government programs like these create more government spending, which creates more debt, which

creates higher interest payments, which creates higher taxes which kills jobs.

While we were having this last exchange a few minutes ago one of my colleagues went out to get a book to actually show the members opposite what the budget is all about. They do not believe that when the government says it is making all these difficult cuts it is actually increasing spending. They do not understand by their own numbers that they are not doing what they claim they are doing.

• (2015)

Higher taxes kill jobs. George Orwell's doublespeak is alive and well in the Liberal government. They tax the people and employers, which kills jobs, and then spend the money on programs that they say will create jobs. More jobs could actually have been created by simply not taxing the workers and the employers in the first place.

When will the government learn? How many more billions will we have to waste? How long will it take for the Canadian people to realize the Liberals and Conservatives are the same? Those who came before them and those who are here presently have been running a shell game, which benefits mainly the bureaucrats and the politicians.

Even if these programs did work, and they do not, training and employment programs are areas of provincial jurisdiction under the Canadian Constitution. It is not the job of the federal government to even be involved in that.

The federal government is proposing to spend $1,329,481,000 in an area that is the sole jurisdiction of the provincial government. If I were the premier of a province I would be demanding that the government quit taxing my people by the amount they are spending in my province and get off my turf.

If government members wanted to understand how to prepare a budget they should look at the Reform's taxpayers budget. It started with basic principles. The first principle is that we will get the federal government out of areas where they are intruding into provincial jurisdictions.

Mr. McCormick: How come you spent all the infrastructure money?

Some hon. members: What would you do?

Mr. Breitkreuz (Yorkton—Melville): Members opposite are shouting all kinds of comments, asking "What would you do?" We have clearly demonstrated that. We have laid down principles. When there are principles then you build the budget on that.

We said we would eliminate 100 per cent of the grants to business. The taxpayers' budget said we would eliminate 100 per cent of grants to special interest groups. We made that absolutely clear. Is the government listening? No. It caters to all these special interest groups and it keeps funding them.

We do not have enough information in the estimates to know how many of the grants and handouts are going to businesses and special interest groups. If we did I think we could cut millions from this motion alone if they would only come clean and give us that information.

Reform also said that for all the training programs and make–work projects where the federal government is intruding into areas of provincial jurisdiction Reform would gradually return the responsibility to the provinces. Under a Reform government this process would be completed over five years to allow for a smooth transition. We proposed an immediate 24 per cent cut in this fiscal year.

Now the government will claim that Reform's principled approach is somehow hard hearted. I maintain it is both hard hearted and soft headed to keep spending money on programs that do not work. It is both hard hearted and soft headed to spend tax dollars that would produce a worse job creation record than if they had just lowered taxes.

The government will cry that thousands of people helped by the Atlantic groundfish strategy will have no alternative but to go on welfare. I have two things to say to that in response to these soft headed views. First, what is so bad about welfare in a crisis? The federal government already pays 50 per cent of the cost of the program, and if the provincial governments want to direct their welfare money into workfare and training programs, as the federal government has done, that should be their choice. It should not be decided by a bunch of bureaucrats in Ottawa.

Second, the federal government created the fisheries crisis by mismanaging the fishery. Then the federal government responded by creating a $164 million make work program for the federal bureaucrats. A better federal response to the crisis in the fishery would be to provide emergency funding to the provinces to top up what they get through the Canada assistance plan or equalization payments. Then the provinces could spend the money in accordance with the wishes of the communities and the people hardest hit by the crisis. That money should be distributed and should be used by those who understand the situation best, not by a bunch of bureaucrats back in Ottawa.

• (2020)

Is this too simple a solution? This government likes to play politics and create these grand programs that make it appear like it is doing something, but the simple solutions it seems to avoid. I am sure it will be a long time before any common sense

approach like this is ever advanced by the Liberal government, its power hungry politicians and money hungry bureaucrats.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I listened attentively to the remarks made by the hon. member.

I remind the member we have members of Parliament from every region of the country. I believe our members of Parliament, especially the minister responsible for fisheries and oceans, who also comes from Atlantic Canada, are well equipped to give advice to the House on the types of programs that would assist their constituents when they are going through this very difficult period.

One of the things the Reform Party has to face is that it does not have any members in Atlantic Canada. Because the Reform Party does not have any members in Atlantic Canada it would like to let the local and provincial authorities do it. However, as the national party, the Liberal Party has members who are sensitive to every region of this country.

The point that caused me to rise this evening had to do with the whole issue of tax reform. I came to Parliament full of hope that the Reform Party would have a very tight focus on the whole issue of comprehensive tax reform. What do we hear day in and day out in question period? During the last couple of weeks I have had the opportunity to look at question period, and I notice that the Reform Party has not focused on the issue of tax reform. I think maybe once the member from Calgary gave a pretty good speech on it. Here is an issue that could affect the lives of every Canadian. It was the Reform Party's issue during the last election, but its members came to this House and deserted it.

The hon. member said we should cancel grants to business. The biggest grants to business in this country are the billions of dollars that are buried in the tax act, many of which go to foreign multinational oil companies in the form of tax credits. Will he stand up in the House and say that all of those tax credits, tax grants, and tax preferences should be cancelled?

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I will make comments on the various areas the hon. member mentioned.

If the principle I was espousing, that the people in the local areas best understand the situation and can best manage the funds and the fishery, were instituted we probably would not be in this mess today. I still maintain that one of the biggest problems with all the programs the government runs is that the bureaucracy in Ottawa is out of touch with the people in the local areas and cannot administer these programs properly.

Then the hon. member went on to blame Reform for the inaction of the government because we have not touched on this area or on that area. I find it inexcusable that the government would use that excuse to explain why it is not acting on tax reform.

We have clearly said that we need to balance the budget and we need to do it as soon as possible. If we were to balance that budget within the next three years we could begin to see the light at the end of the tunnel. We seem to think we have to provide these incentives for businesses to come from other countries and invest in Canada. Why? Because we overtax in the first place.

• (2025)

If we would get our act in order and begin to reduce government spending to the point where we could reduce taxes, this question that he has posed would be redundant. We would not even have to consider it. That is the problem.

We have been overtaxed to the point where we are driving businesses out of Canada. Now we try to compensate by giving them grants and tax concessions.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, in speaking to the estimates this evening I use the example of the Department of Indian Affairs and Northern Development in my remarks.

As I said in my earlier intervention, federal spending in this department has increased 750 per cent over the last 20 years. In the past year alone, spending in this department has increased 8.5 per cent, which is faster than the rate of increase in population and the rate of inflation combined.

What are we getting for all this spending? What are the results? The auditor general expressed serious concerns about spending in this area. He pointed out that the results are not there. He pointed out that when $1 billion was appropriated and earmarked for CAEDS, which is a native economic development program, over the period of time that money was expended the demand for social services and the rate of unemployment on native reserves continued to rise at a steady rate. This massive spending on economic development had absolutely no impact on the problems that existed on the reserves.

What does the government do? It pays absolutely no attention to what the auditor general says. It pays absolutely no attention to the hard and tough questions we ask of why we are spending this money, what are the results this expenditure is supposed to achieve, and what it is achieving. The government continues blissfully on expending the money because it feels it has to. It is motherhood to them. Them cannot possibly see any other way than to continue, because this is the way things have been done in the past.

The other major problem the auditor general pointed out was accountability. I have had occasion over the last 18 months to travel to a number of native Indian reserves in Canada. I have had occasion to hear from a large number of ordinary grassroots

Indian people who are very concerned about the accountability on their reserves, who are very concerned about the fact there is a small elite group of people in their communities who are receiving a tremendous amount of largesse from the federal government and most of the people are ignored. Most of the people are not receiving any benefits to speak of. Most of the people are living in destitute conditions.

Obviously there is a very serious problem with accountability. I personally as a member of Parliament keep bringing this up and asking the minister to investigate claims, to go to these communities and find out what is actually happening. The response I get is this is an internal matter for the band to deal with and we will not get involved.

Massive amounts of Canadian taxpayers' money are being sent to reserves, to the control of an elite group of Indian leaders with no accountability to their people and no accountability in effect back to the federal government. Is that the way we want to see our tax dollars spent in this country? Is that the way we want to see our society in Canada in 1995? I submit that this constitutes a massive fraud on the Canadian people and a massive fraud particularly on the poor people in these reserve communities, who actually believe that they are supposed to benefit from this expenditure and they actually do not.

We have built a welfare state in this country. I think everyone or most thinking people have come to realize that. Over the last 30 years we have constructed a massive welfare state and we have all the resulting problems that go along with that.

• (2030)

There are the increased crime stats. There is the increase in poverty and the increased lack of individual initiative. The more dependency on government, the more people are willing to look at government instead of looking at themselves as the ones who are responsible for themselves.

Nowhere is this more true than in the native communities in Canada. If we think we have a welfare state in Canada, take a look at Canada's Indian reserves and see the welfare state that has been created there. It is many times worse than what we have in the rest of Canada.

I submit that what the government is doing with these expenditures is perpetrating that. It is perpetrating a fraud on the Canadian taxpayers. It is perpetrating great and serious harm to the people the Canadian taxpayers feel they are actually helping. The net result is that we are going to end up with a greater debt. At some point we are going to become insolvent. At the same time we have created a tremendous amount of harm in these communities.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, this debate on full supply of the estimates is an appropriate time to examine how well this government is increasing the cost effectiveness of its spending. I take this opportunity to explain some of the initiatives we are taking to make government services more affordable while at the same time maintaining or improving the quality of those services.

The government undertook the program review to identify those programs and services which in this environment of fiscal restraint are no longer needed or that the federal government no longer needs to deliver directly. The results of this review were outlined in the budget. The government has indicated the areas in which it is reducing its role or where other levels of government, the private sector or partnership arrangements can provide services more efficiently.

With respect to the programs that are truly needed and which the federal government will continue to provide, Canadians want this government to maintain the quality of its services and to deliver them in the most cost effective and responsive way possible. Affordable and quality service delivery will be watchwords of this government. For programs and services that remain its responsibility, the federal government is committed to ensuring that its clients receive quality affordable services that are accessible, responsive and balance the interests of taxpayers and those receiving the service.

With ongoing expenditure restraint, a key challenge will be to find new cost effective ways to design and deliver quality programs and services and wherever possible, to continue to make significant service and efficiency improvements in the delivery systems.

Across the government, departments and agencies are responding to this priority with innovative approaches to delivering programs such as the use of information technology, partnering with clients and other organizations and streamlining their operations. I describe for the House a number of initiatives that are now under way and which aim to achieve a public service that consistently provides affordable and quality services.

The government has developed a number of general strategies for achieving this goal: adopting more efficient ways to deliver programs; focusing on service standards and quality; providing client oriented delivery; cutting regulatory red tape; promoting fairness through cost recovery; enhancing efficient resource management; and using technology.

Following a commitment in the 1994 budget, the President of the Treasury Board released a draft declaration of quality services to federal employees in December 1994. This document identifies the following principles that all federal employees are expected to adopt in delivering quality services.

Services are to be accessible, dependable and timely. Timely access to the right service can be improved for example by making services increasingly available at times and in ways that are more convenient to the public. Services are to be delivered clearly and in an open manner. Communicate in plain language with clients about how services are managed and delivered. As regulations and decisions become more complex, make them more easily understood.

• (2035)

Services are to be delivered fairly and respectfully. Canadians expect to be treated in a fair and courteous manner when they use our government services. Services are to be good value for tax dollars, basing decisions on affordability, sound principles and good judgment to demonstrate the value of service to the Canadian public. Services are to be responsive and those delivering them committed to an improvement.

Ongoing consultation, asking clients what they think about the programs and services and how they can be improved is the cornerstone of quality service. After consulting employees and the public, the government will release the declaration to Canadians later this year.

Canada business service centres, CBSCs, provide one access point for information, assistance and referrals on all government programs and services to business. With the recent opening of a CBSC in Toronto there is now a network of 10 centres, one in a major urban centre of every province. In most cases these are funded jointly and operated with a province, or a province and the private sector. Clients have access to services by telephone, fax and in person.

As part of its action plan "Agenda: Jobs and Growth: Building a More Innovative Economy", the federal government has increased its support for this initiative to $15 million annually for four years. It is expanding services to meet the information needs of business clients by improving access through co–operative arrangements with community based organizations such as the economic development commissions and chambers of commerce, increasing the availability of direct computer access to the information from home or office, and continuing to improve information particularly on regulatory matters of interest to business.

Several departments continue to make services available to the public through common government access points at over 300 infocentres across Canada.

Businesses will be able to use a single business registration number which is being phased in during 1995 to gain access to several Revenue Canada business programs including those relating to payroll deductions, corporate income tax, the GST, customs duties and excise taxes. This single business registration number which will allow the department and businesses to have access to a variety of programs and services replaces at least six separate identifiers currently in use.

As indicated in "Building a More Innovative Economy" the government will have reduced significantly within three years the amount of time that small and medium size enterprises spend on federal government operations and federal government information requests in order to help stimulate job creation and a healthy, vigorous economic climate for small business.

A joint public–private sector forum of major information collecting departments and representatives from small and medium size businesses and business associations will be the focal point for ongoing consultations on government initiatives to challenge the need for the information the government currently requires from small and medium size businesses, develop means to eliminate duplication between departments and governments in data collection, and to find ways to collect the remaining information electronically to the fullest extent possible.

It should be clear to all Canadians that the program review has resulted in significant decisions on a broad range of federal government programs and services. These decisions will enable the government to serve Canadians better with renewed purpose.

The initiatives and successes I have outlined today show that the government and public service employees are dedicated to achieving affordable quality services using the most efficient means available.

The people in my riding of Hastings—Frontenac—Lennox and Addington have endorsed the 1995 federal budget. Major Canadian and international corporations have expressed their confidence in our government, our country and in the greatest asset in my riding of Hastings—Frontenac—Lennox and Addington, the confidence in our people. The workforce in my riding deserves the recognition it has received. I wish to take a moment to describe the confidence placed in my constituents.

Celanese Canada has won a $191 million expansion to its polymers facility in Ernestown township. This happened in the last three weeks. Competition for this contract came from the Carolinas and from Mexico. The manager announced that this international company was very impressed with the talents and dedication of our workforce. Three hundred or four hundred construction jobs will be created.

• (2040)

DESTEC Energy has started construction on its new 100 megawatt co–generation plant. This $180 million project will employ 150 to 200 people during construction.

Across the road from those two projects, Bombardier, formerly UTDC, has received a $595 million order for a light transit system for Malaysia. Our Prime Minister gave us his assistance in bringing home this contract from his Asian tour. Four hundred people will be employed from now until 1998 with this single order alone.

Nearby in my hometown of Napanee, Goodyear Canada is undergoing an expansion in the world's most modern tire manufacturing plant. Twenty–seven to thirty million dollars of Goodyear's money is being invested in our community.

These large projects will result in hundreds of direct and spinoff jobs in our communities. Between the companies involved, almost $1 billion has been committed to Hastings—Frontenac—Lennox and Addington recently. Confidence is the word to remember for Hastings—Frontenac—Lennox and Addington and for all of Canada.

Allow me one more expression of confidence. One–third of all the people in North America live within 550 miles of my riding. It is a great place to make and serve your product. All inquiries are welcome.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I enjoyed the presentation by the member opposite.

I would like to know whether there is any long term goal on the part of this federal government. We have been hearing from this budgetary process that the goal is to reduce the deficit to 3 per cent of GDP. However, we have tried and have not been able to elicit a response from the minister or the Prime Minister on the question of where do we go past that.

In doing the mathematics, I think I used 3 per cent in my projections of increase in productivity in the country. Hence there is a 3 per cent annual increase in GDP, hence an increase of 3 per cent per year in the amount of the deficit which means that perpetually we add to and increase the debt. We are adding up the interest and as the interest adds to it, the principal value of the debt increases. As a result, the interest payment in absolute dollars is higher and higher every year. Using that model, by the year 2011 our debt will have reached $1 trillion.

Does the member know or has heard any of his colleagues on that side of the House indicate anything more concrete in terms of a long term goal than this very fuzzy 3 per cent, for the time being let us slow down how fast we go into debt, but after that let it increase again?

Mr. McCormick: Mr. Speaker, I have certainly heard many people voice their concerns. It is a real challenge to reduce our deficit and our debt. As our finance minister has said, we are doing it on short term targets.

Canadians are being able to live through this period of time. If we were to follow the Reform Party budget, we certainly would have blood in the streets. People will not stand there and see their necks cut.

This week a newspaper editorial in a major Canadian daily warned the voters in Ontario that if they buy Mike Harris they will get the whole package. When our human resources development standing committee was touring the western Canada provinces, which I love so greatly, in November and December, we had witnesses coming before us with tears in their eyes, especially in Alberta, telling how the Reform type government was making cuts on the backs of the working and the poor people. I am proud to be a Liberal and be part of a government that will cut the deficit and the debt and will do it while allowing people to live.

• (2045)

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I congratulate my colleague for a very good speech, one that relates to the Canadian public the difference between the Liberal Party and the parties opposite.

Many of us on this side believe governments have a role to play and that governments can have a positive impact on the lives of individuals. We do not have to pull back to the point at which everyone is left to their own devices to get back to the lifestyles we had a number of years ago.

Can my colleague explain to us some of the positive aspects of the Asian tour he mentioned relating to what the federal government has done in relation to jobs in his riding? What did the Asian tour do for the job creation initiative he talked about? How much federal money is involved in the process of the Prime Minister and the ministers of the provinces when they went as Team Canada to sell our products to the rest of the world?

Mr. McCormick: Mr. Speaker, I thank my hon. colleague for the question.

I will answer more than the question about the Asian tour. The Asian tour was a great help for all of Canada. We have a foot in the door and Canadians are working. I mentioned the $595 million order that Bombardier shared in our area.

The full order totalled $950 million. Bombardier is making money around the world today and is willing to invest in Canada. It is making rapid transit vehicles in Germany and I believe on four continents today. For this very valuable contract it has confidence in the people in our country.

Regarding the DESTEC Energy project I mentioned of $180 million, the money is coming from Texas and is being invested in our country. Celanese is investing $191 million of its money here because of its confidence in Canadians.

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, it is a pleasure to speak about the government's main estimates for the 1995–96 budget year.

The main estimates are a reflection of the government's spending priorities for its departments and programs as set out in the budget. This year's estimates lay the details for the government's planned budgetary expenditures totalling $164.2 billion.

The basic figures contained in these documents show overall program spending has declined by 10.8 per cent, from $120.9 billion 1994–95 to $107.9 billion in 1996–97.

[*Translation*]

The positive side of these dramatic spending cuts is that the government has managed for the first time in more than 20 years not only to reach its deficit reduction objective but to exceed it by $4.4 billion, without raising personal income taxes.

With its second budget, the government will be able to meet the red book objective of reducing the deficit to 3 per cent of GDP by the end of 1996–97.

[*English*]

I will mention some of the concerns communicated to me by my constituents prior to this year's budget and how the government addressed these concerns.

The build up to this year's federal budget saw a variety of letter writing campaigns opposing any new tax measures. I recall a few campaigns opposing any increases in personal income tax, any taxation of employer contributions to group health plans and registered retirement savings plans.

• (2050)

As part of the government's prebudget consultation process I wrote to the Minister of Finance requesting that group health benefits and RRSPs not be taxed. I was very pleased the budget contained no increase in personal income taxes and that no taxes were levied on the programs I mentioned.

It is important to understand that a whole new approach to governing was adopted in order to achieve the budgetary goals I referred to earlier. The program review contained in the budget redefines what government does and how its programs are delivered.

[*Translation*]

We are in fact witnessing a redefinition of liberalism. This, however, could make us forget important liberal principles such as giving everyone equal opportunities. Many Canadians feel, like me, that our social programs helped create a more just society.

After what the previous government did to social security, it is no wonder that many Canadians are concerned by any talk of reviewing social policy and public pension plans.

I am nonetheless convinced that our government can and will modernize the social safety net in order to make programs more efficient and less costly and, more importantly, to preserve access for all Canadians, whether rich or poor.

An important item in the estimates will guarantee the future viability of our social programs. The Canada social transfer will replace the current transfer payments to the provinces and territories under the Canada assistance plan and the established programs financing. Combined with the equalization payments that will continue to increase, the Canada social transfer will provide the provinces with more than $35 billion in 1996.

[*English*]

During the 1993 election campaign I repeatedly said what we need are more people paying taxes, not people paying more taxes. It has always been evident to me that the best way to preserve our social programs and at the same time reduce our fiscal deficit is by creating jobs. More people working means more people paying taxes and less people drawing costly benefits such as unemployment insurance. In other words, we must continue with our job and growth agenda. We need a balanced approach between spending cuts and job creation. Fiscal restraint must not be an end in and of itself but a facilitator in achieving the overriding goal of job creation.

The government did in many ways adopt this approach. Consider that 433,000 new jobs were created in 1994, many as a result of the national infrastructure program. The unemployment rate is now at 9.4 per cent, the lowest in nearly five years, productivity has surged and our trade surplus is at its highest level ever.

[*Translation*]

It is important to increase the fairness of the tax system. Again, I must congratulate the government on the progress made in that regard through measures such as these: a 12.5 per cent increase in the corporate tax rate; a 1 per cent increase in the corporate surtax; a temporary tax on the capital of deposit-taking institutions, including major chartered banks; the elimination of tax advantages resulting from the rules governing family trusts for the rich; and finally, the limitation on the scientific research and experimental development tax credit for large corporations.

These are major achievements, but much remains to be done. There is still a lot to do to help the unemployed find work and we must take a closer look at tax advantages that benefit a privileged few.

[*English*]

Some would attack the less privileged in our society and blame them for all our economic woes. This certainly seems to be the case in the provincial election in Ontario. However, politicians who take advantage of people's fears and anger over the future viability of our economy are doing a great disservice

to both the social and economic well–being of our country. This approach is fundamentally dishonest and very destructive.

• (2055)

Now that this year's budgetary process is coming to a close I offer my suggestions for the upcoming 1996 prebudget consultation.

There is much speculation in the media about the viability of our public pension plan and the necessity to review this program. I believe any review of the public pension scheme should also include a review of RRSPs. A considerable amount of money is invested in RRSPs. They have without a doubt contributed to better retirement security for thousands of Canadians.

However, the question of fairness has arisen with respect to advantages wealthy Canadians receive from current contribution limits. The last budget set limits of $13,500 for 1996–97. The limit will be increased by $1,000 a year to reach $15,500 in 1999.

Revenue Canada statistics also inform us only 6 per cent of individuals with income of less than $20,000 a year currently take advantage of RRSPs. On the other hand, individuals making $100,000 or more a year, who account for only 2 per cent of the population, account for 20 per cent of the total RRSP contributions.

In my opinion our current system of RRSPs acts as a considerable tax shelter for the wealthy because of its high contribution levels. For this reason I would not oppose a reduction in the RRSP contribution limit. This would only affect higher income Canadians because these limits are income contingent. Taxing lottery winnings is also another revenue generating avenue available to the government.

I urge the government to continuing applying fairness and compassion in budgetary policies. We must continue to give unemployed Canadians hope and encouragement, not blame them or punish them for their lot.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the member pointed out total spending by the government has gone up and yet program spending has gone down, which means Canadians are squeezed. We are delivering less program money to Canadians while we are transferring more and more money to the lenders. Transfer to lenders has become the biggest transfer program the government has.

The member talked about maintaining the viability of our social programs. I am concerned about the conundrum there. As the government spends less and less money on social programs surely that would destroy the viability of social programs. He seems to be taking some credit in maintaining the viability of social programs.

While the deficit continues and while we are continuing to add to the debt, which means interest costs are continuing to go up andtherefore program spending will continue to go down, how does the member intend to maintain the viability of social programs?

Mr. DeVillers: Mr. Speaker, I thank the hon. member for his question. The question of maintaining social programs is very crucial and of much concern to the government. That is what the social program review initiated by the Minister of Human Resources Development was designed to address.

The deficit is being addressed by reducing it to 3 per cent of GDP. That is a minimum interim target. The finance minister stated many times in the House and outside the House that it is just that, a minimum interim target. The ultimate goal is to eliminate the deficit and repay the debt, leaving more money available to put into social programs.

Social programs are in need of review. They were designed several decades ago and have not been brought up to date. There is wide consensus among Canadians that they are in need of a review and an update and it is a question of which approach we will take.

Hon. members across have difficulty 20 months after the 1993 election still accepting that the Liberal platform clearly set out the deficit reduction goal was 3 per cent GDP in three years. That is one of the main reasons we were successful in the election. It is a concept they have difficulty accepting.

• (2100)

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, why would he think, as the Reformers would think, that Canadians would believe it when the Reform Party says it could reduce the debt and the deficit all in one fell swoop in a three–year program and at the same time maintain jobs and growth? This is what it is saying to us, that the 400,000 jobs that were created this last year would continue to be in effect at the same time as we would take some $40 billion from the economy.

I would like the hon. member to explain to us the Reform's rationale if he could and why the Liberal Party does not seem to accept that. Not even 10 per cent of Canadians accept that, as we could tell in the last election campaign.

Mr. DeVillers: Mr. Speaker, I thank my colleague for the question.

The simple answer is I cannot explain it. I certainly do not agree with it. Obviously the electorate in the last election did not agree with it. As I previously pointed out, they rejected that Reform plan of eliminating the deficit within three years. Anyone could understand that could not be done without creating tremendous hardship. As has been stated previously in the House this evening, there would be blood in the streets if any government attempted to put those kinds of cuts onto the population. That is clearly why that plan was rejected by the electorate in 1993.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, on the Canada social transfer, he said they are transferring $35 billion to the provinces. He forgot to mention that is a reduction of about $7 billion, if I have my figures right. That is downloading on the provinces.

Maybe that is the reason the Liberals in Ontario's provincial election are into a skid. Maybe it is that and Bills C–68 and C–41. Maybe that is why this Liberal Party got so desperate as to campaign for its provincial brothers and sisters during members' statements before question period, and it does not even claim them as an election expense.

Mr. DeVillers: Mr. Speaker, I certainly am amazed at the interest our hon. colleagues from the Reform Party have taken in the provincial election in Ontario. They do not seem to miss any opportunity to discuss it. I have the impression that there is perhaps, as we have heard in the media, some possibility of a merger with the Tory government. They seem to be very concerned with the fortunes of the Tories in Ontario.

To answer his downloading question, the information I have is that in fact there is the same amount of money, if not more, being transferred to the provinces today as there was prior to this government's taking office.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I am pleased to take part in this debate which goes to the very heart of the Canadian policy issue.

There is a proposal to reform the human resources system in Canada. As you know, this is the largest department and the most essential to any political system, for it is or is supposed to be in charge of job creation and training. Social and other programs also come under this department.

This is an extremely important department and talking about reforming such a department is like trying to change the entire Canadian federal system as we know it.

• (2105)

[*English*]

If only the peanut gallery in the Reform Party could listen—

The Acting Speaker (Mr. Kilger): I am trying to imagine what it must have been like when this wonderful Chamber sat every evening.

Resuming debate, the hon. member for Quebec Est.

[*Translation*]

Mr. Marchand: Mr. Speaker, the point I was making in such a colourful way is that basically attempting to change the Department of Human Resources Development is tantamount to attempting to change the entire Canadian federal system because this department is at the heart of every federal program, anything that deals with employment, training, social programs. We also know that HRD may well have one of the largest budgets, if not the largest, of any federal department.

That is what prompts me to say that this debate tonight goes to the very heart of the Canadian policy issue. Looking at this reform proposal concerning the Department of Human Resources Development, we can see that the impact of this reform is quite disastrous in every respect. Even from the point of view of political philosophy, this reform makes no sense.

There is an ongoing debate in Canada about the value of decentralizing political powers. I think that this policy or idea is widely held across Canada. At least in Quebec and in parts of English Canada it is regarded as good policy. The Liberal government however would rather adopt a centralizing policy, which is obvious in several bills, including bills from the Department of Human Resources Development. This is a disastrous policy thrust, as we know. I even think that a majority of Liberal members, and you might be one of them, care and will recognize that decentralizing is the key to the future of Canada's political development.

However, this Liberal government and its Prime Minister seem more bent on centralizing, which is disastrous as we can see, particularly when we come from Quebec. This human resources reform is disastrous, both from a political and economical point of view.

Although the government is trying to cut several billion dollars in social programs, a measure which will hurt the poor and the most vulnerable people in our society, it will not really save anything. These cuts are not well thought out; they are not planned; they are not part of a global vision for development. In fact, if this government really cared, if it really had a vision for rebuilding the country, it would have reduced overlapping and duplication. It would have opted for decentralization, instead of centralization.

Once again, the reforms proposed by the Department of Human Resources Development show that, in the future, there will undoubtedly be even more duplication than before. This will not result in savings. Duplication means not only that money is wasted, to the tune of hundreds and hundreds of millions of dollars, but also time, energy and even human lives.

• (2110)

When we really get down to talking about client services and the efficiency of programs managed by the Department of Human Resources Development, we have to conclude more and more that they are not efficient. The department tries to put job creation or training programs in place to enable people to hold jobs. The department, the federal government itself, acknowledges that these training programs are inefficient.

One has to actually be there, hit the streets, the towns and the countryside to really take stock of the current disaster, the mounting frustration people are venting; people are becoming more and more concerned about what is going on because they are under the impression that politicians are not doing their jobs. And how right they are that this government is not doing its job.

And the reforms they are proposing for the Department of Human Resources Development are nothing more than expensive deviations from which no good will come. Who will ultimately pay? Now that the Liberal Party is no longer a Liberal Party in the traditional sense, but much more like a Conservative Party, there is no difference between the current Liberal Party and the Conservative Party that preceded it: their policies are identical. Inertia rules. But who actually pays for this lack of leadership, concern and good policies? The poor, the sick, seniors, students, the unemployed, welfare recipients, all of the classes in society which have no voice. They will be the ones who will have to pay. In fact, they are always the ones who pay for a government's slip–shod work.

But these people will not always be ignored. We can say this because they are a majority. A storm is brewing in the country, it is brewing because there are no jobs and no training is available. Therefore, if the patronage and the scandals like Power DirecTv or other shady issues clouding this government do not bring it down, its inertia, lack of vision and the public's dissatisfaction will. Their system is doomed to failure.

The current federal government in Ottawa has no vision. It is doomed to failure. One thing is sure, it is going to crumble under the weight of its own debt and of its shortsightedness. In fact, in Quebec we want to get out of this system because we can do a better job. One does not have to be a genius to realize we can do better than the federal system we have now.

The Department of Human Resources Development, as I said before, illustrates what is wrong with the whole federal system. This department has made presentations and introduced cutbacks, but is misleading in the way it presents its budget. It is hard to pinpoint what they are trying to do. We know the minister is confusing the issue. He would have people believe he is improving the system, but that is not the case. They talk about increasing the number of programs and the amount of money available for training or job creation, although we know there have been drastic cuts in the amounts available.

• (2115)

Confusion reigns in this department. As I said before, all you have to do is go down the street, go to the cities and towns and employment centres and you will see what is happening. The department's employees no longer know which side they are on, whether their job is going to disappear, how much money they have for which programs and which programs will be abolished. This is not a department with a clear vision, a sense of purpose. Confusion is spreading because people do not know where they are going.

There is some kind of trickery afoot, but I am afraid they underestimate the public's intelligence. The auditor general has often said that budgets are mainly an exercise in camouflage. It is an attempt to prevent people from finding out exactly how the money is spent. You practically have to be an expert, and even the experts cannot agree.

Cover up and concealment seem to be the order of the day. The Auditor General of Canada singled out the Department of Human Resources Development as a case in point. Confusion is rife, especially in this department. As I said before, the department is at the heart of the federal system that is collapsing under its own weight, through its own inertia and lack of vision.

How the money in the Unemployment Insurance Fund is used is another example of this now you see it, now you don't, attitude. Everyone in Canada or at least a large percentage of Canadians has the impression that the federal government is putting money, their tax money, into the unemployment insurance program to subsidize training programs and other programs provided by employment centres.

However, the federal government, as I said before, is withdrawing from unemployment insurance. The money in the Unemployment Insurance Fund comes out of the wages earned by workers. We all contribute to this fund, but the federal government is contributing less and less. However, the government still gives the impression it contributes, and it uses the money to set up training programs and job creation programs for young people. This is a very economical way to give the impression you are doing something.

Obviously, this is one way to give the impression of doing something, but not necessarily a successful one. The greatest confusion is to be found in the new programs set up in the past 12 months, particularly those announced with the greatest noise—programs for youth, young trainees or the youth service corps.

In my riding, just by talking to people in the street, who have anything to do with these programs at all, you realize that they do not know where to turn anymore. For example, in Québec–Est, 38 projects were submitted in response to the youth service corps program, because people had heard there was lots of

money in it. The youth service corps proposed 36 projects, good projects, and only two were approved.

• (2120)

These two projects will go through a whole slew of checks, not only locally, but at the Montreal office and, eventually, at the Ottawa office. It seems they even had to be approved by the minister himself. This is a first. Even the officials are wondering why. This is a sort of politicization. I do not think it is economic, particularly. It is a reflection of the government's desire to centralize, once again, at the very heart of the Department of Human Resources Development. Why this attempt to centralize? It is not economic. It does not even make any sense.

This streamlining the Minister of Human Resources Development is talking about is, obviously, not streamlining. Anyone taking the slightest look at the thing will realize that there is no streamlining; it is confusion.

You just have to talk to the head of the employment centre in your region; he will tell you. He does not know if he will keep his job; he does not know whether the programs he currently administers will be extended. Furthermore, he will admit to you that the existing programs funded by the federal government from the unemployment insurance fund are not working out. There is no guarantee that someone taking training at an employment centre will find work. Oftentimes, even, people taking training at employment centres have less chance of finding a job.

This all makes sense, I suppose, in the mind of certain federalists, but, in my mind, it does not. There is no streamlining, only confusion and waste.

In Quebec we are concerned because we want to create jobs and put people to work. We want to improve our society. We are not asleep. We are not sitting on our power on little green chairs thinking that everything is fine. We know there are more and more poor people, unemployed and people on welfare. There are 808,000 in Quebec, alone. It is a catastrophe. This is a lot of human misery.

It is important, for example, for Quebec to have power in the area of manpower training. The struggle has been going on for a long time, and we consider it very important. The former Quebec minister and current federal Minister of Labour sitting across from me is aware that the Quebec government has fought for full control over manpower training for a long time, even when the Liberals were in power.

Manpower training is central because it lies at the heart of this whole game being played by the Department of Human Resources Development. It is at the heart of all societal problems. The issues are job creation and training. And education is at the heart of any society. That is why Quebec is right to stick to its guns. Not only because it is important but because it is under provincial jurisdiction. Education has always been under provincial jurisdiction. The federalists in Ottawa do not understand this. They have never respected provincial jurisdiction. Furthermore, the government has never respected its own constitution. Both training and education have always been under provincial jurisdiction.

• (2125)

The federal government is once again using this centralization policy. The fact that the Department of Human Resources Development is increasingly trying to exert control over manpower training provides further concrete evidence of the federal government's intention to centralize powers.

Quebec—not only the Parti Quebecois but also the Liberal Party—has always unanimously expressed the need to repatriate all manpower training powers. All manpower training stakeholders, union members, even the employers' council and the president of the Business Council on National Issues, Thomas d'Aquino, a man of some renown, have argued very strongly in favour of decentralizing manpower training powers throughout the country.

Unfortunately, we still do not have that power, which clearly shows once again the impossibility of reforming the current system because of increased centralization by the federal government. The impossibility of reforming the system is one of the reasons, if not the main reason, why Quebec must achieve sovereignty so that it can take control of its own destiny as soon as possible.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, on the hon. member's statement that the federal government is trying to centralize powers in Ottawa even more than past governments, that statement is absolutely correct.

He went on to say that federal governments over past decades have taken over powers which are rightfully provincial powers. The hon. member is 100 per cent correct.

Reform's vision of a new Canada includes a much smaller federal government, with much less power centralized in its hands, and with provincial powers returned to the provinces as they were laid out in the original Constitution. I can understand the hon. member's frustration, which we feel in Alberta, to the continual movement on the part of the federal government, particularly over the last 30 years, to take over powers which are rightfully those of the provinces.

I want to make those comments to the hon. member and to the people of Quebec, acknowledging this is a problem which must be reversed. If that happens, as the Reform Party has laid out in its vision of a new Canada, Quebecers will be happy to be a part of the country. If that does not happen, as it certainly will not

under this government, Quebecers will want to leave. I can understand that.

Mr. Marchand: Mr. Speaker, if it were possible to decentralize Canada it would be very interesting. I do not believe it is possible to decentralize the federal government because it is part of the federal history to centralize power. That has been the case ever since the second world war. The federal government has taken more and more power. It has assumed more and more of the provincial jurisdiction.

Today the situation is catastrophic in the sense that the federal government has no place being there any more. It is a useless political institution in the broadest terms. It is a wasteful institution.

• (2130)

Now its role is basically to maintain itself, to keep itself alive. It is like this absurd institution that suddenly finds itself alive and now will do everything to maintain its life in spite of the fact it is taxing provinces and creating problems all over the country.

We can criticize this system inside and out completely. It is wasteful, it is not economical, it gives no guidance to the country. Its primary goal right today is to do everything to maintain its life. This is what the government is doing. It is trying to maintain the operation of this federal institution in Ottawa in spite of the fact it is a totally useless institution.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, after the last couple of months here, after seeing the corruption across the floor with regard to the patronage we have been talking about in question period over the last few months, and after seeing a lot of really bad legislation like the budget, Bill C–68, Bill C–41, the MP pension reform which really does very little to reform, I understand the member's frustration.

I have to admit the federal government is not working properly but it can be changed. If it could be changed, if the proper powers were returned to the provinces, that would be interesting.

[*Translation*]

Mr. Marchand: Mr. Speaker, let us say that we gained experience in trying to change the present system on several occasions: in 1990, 1992 and even before that. Numerous attempts were made to reform the system, but it is just not reformable, especially as viewed by Quebec.

For example, Western Canada, and Alberta in particular, was cheated of billions of dollars under the Trudeau regime. In fact, it is estimated that the government collected in excess of $100 billion from Alberta with Trudeau's energy tax. I have seen estimates ranging anywhere from $60 billion to more than $100 billion in oil taxes collected from Alberta alone. All that to maintain the federal system based here in Ottawa.

Other provinces had different problems, but in Quebec the main problem comes from way back. For one thing, it comes from the fact that we are French–speaking and have never been recognized in Canada as a different, distinct people, unique in North America. Everyone agrees that it is quite obvious though, but the fact remains that recognition has not been forthcoming in this system. Really, that is crucial for Quebec and the future of its society, because as long as we do not have the powers to develop as a French–speaking nation, as unique among North American nations, we will do all we can to try to gain these powers.

We will never have the necessary political and administrative reforms carried out within Canada. We will certainly not succeed in getting Quebec recognized as a people. We tried on several occasions but learned that it is just plain impossible.

• (2135)

The only difference perhaps between the Reform Party and the Bloc Quebecois is that we, in the Bloc, have realized that the federal system is not reformable, while our Reform colleagues believe it is still possible to reform this federal system.

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, during the last 30 minutes, I listened with great interest to the hon. member from the official opposition. It is rather strange to see how a parliamentarian protected by the privilege of Parliament can distort the facts in what I would call an almost shameful manner.

The member made several allusions to Houdini in his speech. Let me tell you that Houdini must be spinning in his grave right now.

In any case, I am pleased to address this House on the issue of the government's main estimates. Since taking office, the Liberal Party has met several major challenges. I am proud to point that out because, if you look at the history of our country, you see that each time a major change of direction occurred, it was invariably with the Liberal Party at the helm. We have always been the ones with a vision, the ones paving the way for future generations of Canadians. Indeed, I am proud to stress that fact this evening.

We were elected at an important time in the development of our society. Canadians then put their trust in another Liberal government because they knew that we would rise to the challenge.

Mr. Marchand: They were wrong.

Mr. Chrétien (Frontenac): Look at Ontario.

Mr. Cauchon: We have risen to the challenge so well that you can hear the other side howl and scream, precisely because we are doing such a good job that it hurts them.

It hurts them because Canadians are starting to see the positive results of our policies. It hurts them because the federal government is implementing a true decentralization which the public understands and accepts.

It hurts them because, when they see the government administration make these adjustments, they realize that it is the end of their dream. Once again, we are showing that federalism is not static: it has always been in constant evolution and it will continue to change.

I want to take this opportunity to discuss regional development. Canada is a very large country and we often see disparities within a given region. A responsible federal government must keep control over regional development.

However, the whole regional development policy must also be reviewed, just as we have already reviewed the government machine. Some members opposite say: "Use the simple approach. We have problems with the debt and the deficit, so just make cuts in regional development".

• (2140)

Their policy is irresponsible. I have heard members opposite say: Withdraw from the area of regional development. This is yet another policy that, in addition to being unrealistic, fundamentally goes against the opinion and the will of the people.

An hon. member: They are out of touch.

Mr. Cauchon: Ever since this government was formed, we have been repeating that we want to get the government machine back on track in order to lead Canada to economic prosperity, an economic prosperity which will allow us to create jobs and make us competitive, not only on the Canadian scene but also internationally.

Two principles underlie this vision of prosperity and govern all of the changes to regional development policies. The first thing that the government wanted to do, and did in fact do—I again stress for the benefit of the House that the people across the way keep on hollering because hearing the truth hurts, but Mr. Speaker, thank God for the House of Commons, a wonderful democratic forum in which we can express ourselves freely without fear and tell the public the truth—now back to the two principles underlying the reform of the government machine and the reform of regional development policies.

There is the issue of the rationalization of public spending. I think that the Minister of Finance's budget eloquently makes the point that the first steps towards rationalizing spending have already been taken. The Minister of Intergovernmental Affairs conducted a major program review which will eventually lead to program cuts, programs which will more effectively target the public, programs which will meet their real needs. This rationalization of spending shows that this government is responsible and can manage the debt and the deficit.

The second underlying principle is the rethinking of the state's role. When they say they are rethinking the state's role, that means that they are going to take a sharp turn. In the past, not only in Canada but throughout the world, we have had governments that were very interventionist. Today, with all the problems with public finances, government has to play a different role, a role business people have asked us to play. The government has to fine tune its decision making to reflect the needs of various sectors, and it must also consider partnerships.

While we are on the subject of regional development policies, perhaps we should mention a splendid tool for regional development that is part of the federal apparatus, and I am referring to the Federal Office of Regional Development for Quebec. If we consider the two principles I just mentioned, the issue of scaling down spending, well I must say the FORDQ has done its share. For instance, its budget will be cut by 70 per cent over three years, which means from $487.5 million to $142.9 million in 1997–98. This is a significant reduction, and I think we can say that the FORDQ is doing its share.

• (2145)

Well, I think the changes announced quite recently by the Minister of Finance and the Minister responsible for the Federal Office of Regional Development (Quebec) are a clear indication of this desire to make some real changes and rethink the role of government so that we can fine tune our response to the needs of Canadians. In this respect, our first conclusion must be that from now on, regional development will be the job of small business.

Small businesses in Canada create 85 per cent of the jobs. They are a very dynamic tool that should be encouraged in every respect. And the government should be there to act as a partner.

Before going ahead with the restructuring of FORDQ, the minister consulted the business community.

Mr. Chrétien (Frontenac): At $2,000 per plate.

Mr. Cauchon: If I may, I will try to convey, over the shouts of the official opposition, the messages sent to the minister by members of the business community.

The message from small businesses regarding regional development is clear. They told us: "First, cut government spending; second, stop subsidizing businesses; and third, eliminate overlap; reduce the paper burden and the red tape; and give us the

strategic information we need to meet the challenges of technological change and globalization of our markets".

Now that is progressive. That is the new approach to regional development. This is what the Federal Office of Regional Development intends to do. It will work in partnership in order to target promising development sectors. I must point out that the office has already taken action on a number of occasions in Quebec and throughout Canada. We target small and medium high tech business and, when we target high tech in partnership, we are targeting an area of the future. We are targeting an area that will mean the creation of quality, worthwhile and long lasting jobs, which will improve Canada's economy and make us a strong competitor both nationally and internationally. This is basic for small and medium size business.

I was listening to my colleague earlier talking about training. I find it hard to believe today that people can talk about isolating themselves as regards manpower training. In an era of free trade when there is talk of a World Trade Organization, we should be looking to band together to better train our labour force, make it a quality one. This is what Quebecers want. A quality labour force is a dynamic one that puts Canadian business at the peak of competition. As a dynamic labour force, it also attracts investments. This is the plan of the present government and this is what we will continue to do.

We are talking about a dynamic approach attuned to what people want. I was listening to my colleague earlier attacking reforms to social programs by the Department of Human Resources Development. You will permit me to say that I find such comments disgraceful, given that the new direction the Minister of Human Resources Development is taking is fundamental not only for workers, but for Canadian society.

Let us take the example of the human resources investment fund, which will come into effect in April 1996.

• (2150)

This fund, which in my opinion is quite a marvel, meets the very needs of the public. During several months, Canadians told us: "We want training programs that are firmly grounded in reality. We want training programs which are much more flexible". Again, I would point out to the Chair that I am trying to be heard over all the hollering of the Bloc Quebecois members.

Canadians want training programs which are much more flexible and truly in tune with their needs. The Human Resources Investment Fund meets all of their expectations. It really reflects the real situation out there. When I hear the Bloc Quebecois and the Parti Quebecois telling Quebecers that these parties should have control over manpower training so that they can hide what they are doing, I cannot help but think that they are not realistic and are ignoring what is going on at the international level.

We must train our workers in order to become extremely competent. This requires partnerships, team work and co–operation with the private sector, which is exactly what the Human Resources Investment Fund is all about. Earlier, some members said that the Canada social transfer would lead to decentralization. I do not know which way to turn anymore.

When we were considering social reform, the members of the Bloc Quebecois hailed the Canada social transfer as a miracle. They wanted us to decentralize and transfer everything to the provinces. That is what we did in the finance minister's budget. Through the Canada social transfer, we handed a number of programs over to them. Now that this has come to pass, they are trying to distort the truth by saying that the Canada social transfer is tied to the unilateral setting of national standards by the federal government.

I think that we did not read the same document. We live in a country, and I think it is normal to have national standards across the country. During the consultations on social program reform, people in Quebec and throughout Canada also told us that we should indeed have national standards. The people also told us—in Quebec, too—that they did not want these standards to be set unilaterally by the federal government.

The Canada social transfer is a classic example of progressive federalism, of co–operative federalism, of a federalism that does not represent in any way the status quo advocated by members of the official opposition, members of the Bloc Quebecois.

Some hon. members: Hear, hear.

Mr. Cauchon: In conclusion, what is unfortunate about the official opposition—I am trying once again to be heard above the ruckus raised by Bloc members—is that, instead of allowing us to work hand in hand to develop a federation that will reflect the vitality of people in Quebec and throughout Canada, they are trying to ensure that the system will not work. All this, incredibly, just to protect their separatist philosophy instead of serving the public interest.

Our government's goal is to help the people and look after their interests, and we will continue to do so. That is why I am especially proud to support the main estimates.

• (2155)

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Mr. Speaker, the hon. member for Outremont is wrong; I did not utter a word during his presentation, but I will speak now. I wonder on what planet the hon. member lives.

We have 800,000 people on welfare in Quebec today, and there are 1.2 million in Ontario. Quebec sovereignists are certainly not responsible for that; the federal system is. One of the main reasons for this state of affairs is the manpower issue. The very brother of the hon. member for Brome—Missisquoi, a minister in the Johnson government and now the member for

Westmount—Saint–Henri, was among the government members who asked that the issue of manpower be returned to Quebec.

These are not sovereignists, but federalists, people who have realized that, if we want our manpower to be trained adequately, training has to be provided in an acceptable regime. The facts contradict what the hon. member for Outremont said. At present, the public cannot find its way around the 27 federal and 25 provincial programs available.

As for concrete measures, the federal government recently announced that only UI recipients will have access to job search clubs from now on. A fine move to create a single window no doubt. And so logical.

I would like to tell the hon. member for Outremont a thing or two about the real world, through you of course, Mr. Speaker. In our regions, many workers are unskilled and need adequate training. We are talking about regional development. Well, I come from Quebec's eastern region, which could be called the stumbling block of federalism.

The federal government tried all kinds of things in our region, this in addition to Quebec's initiatives. Today, our region has the strongest migration movement. That trend, which started 30 years ago, is the result of your actions.

I want to say a word about the FORDQ. I agree with the member for Outremont: you did turn that office into an empty structure. This is obvious. All the investment budgets targeted for small businesses were cut. Businesses employing only a few people do not need to have access to the international markets. Quite often, they simply need a little help to build a warehouse, etc., but you let them down. One of the reasons is that federal Liberals from Quebec did not speak up. They let the Minister of Industry do his dirty deed, so that Ontario would regain control.

I will conclude with a question on the Human Resources Investment Fund. Instead of creating an artificial fund and using the money contributed by employers and employees to interfere in Quebec's fields of jurisdiction, why did you not reduce the contributions of employers and employees? That way, you would have put the money directly in the industry, in the workplace, instead of spending it on the bureaucracy, and you would have achieved true job creation, instead of making systematic cuts.

The Acting Speaker (Mr. Kilger): I would remind the House that debate is to end at 10.00 p.m.

Mr. Cauchon: Mr. Speaker, I think my colleague is confused at this point. He should call the PQ's 1–800 number so he can understand. The member opposite spoke of a very important and very serious matter—that of the unemployed in Quebec, and not only in Quebec, but in Canada as a whole.

Last year, we created 430,000 new jobs. The Minister of Human Resources Development is changing course in response to the wishes of people—be they welfare recipients or receiving some other form of public support—who want access to training without running head on into inflexible programs. This is what we are trying to do with the human resources investment fund.

It is unfortunate, but the truth is that we are working alone at the moment. The federal government is working alone, because the Government of Quebec, instead of working in partnership with the federal government to serve the public interest and develop a labour force in a rapidly changing economy, is talking about separating. It is a shame, and the cost, in the end, will be borne by the people of Quebec.

Some hon. members: Hear, hear.

[*English*]

The Acting Speaker (Mr. Kilger): It being 10 p.m. it is my duty, pursuant to Standing Order 81, to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 244*)

YEAS

Members

Alcock	Allmand
Anawak	Anderson
Arseneault	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Bellemare	Bertrand
Bethel	Bevilacqua
Blondin–Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélanger	Calder

Campbell
Catterall
Chan
Cohen
Copps
Crawford
DeVillers
Discepola
Duhamel
Easter
English
Finestone
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Guarnieri
Harvard
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
Maheu
Maloney
Marleau
Massé
McKinnon
McTeague
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Pagtakhan
Parrish
Peters
Phinney
Proud
Regan
Ringuette-Maltais
Rock
Serré
Sheridan
Skoke
Steckle
Stewart (Northumberland)
Terrana
Tobin
Ur
Vanclief
Wappel
Zed—137

Cannis
Cauchon
Clancy
Collins
Cowling
Culbert
Dhaliwal
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gagliano
Gallaway
Godfrey
Graham
Harb
Hickey
Hubbard
Iftody
Jackson
Karygiannis
Knutson
Lastewka
Lee
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Reilly
Paradis
Patry
Peterson
Pillitteri
Reed
Rideout
Robillard
Rompkey
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo
Thalheimer
Torsney
Valeri
Walker
Whelan

NAYS

Members

Abbott
Althouse
Benoit
Blaikie
Breitkreuz (Yorkton—Melville)
Brien
Canuel
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Deshaies
Duceppe
Duncan
Fillion
Gagnon (Québec)

Ablonczy
Bachand
Bergeron
Breitkreuz (Yellowhead)
Bridgman
Brown (Calgary Southeast)
Caron
Crête
Daviault
de Jong
Dubé
Dumas
Epp
Frazer
Gauthier (Roberval)

Gilmour
Grey (Beaver River)
Guimond
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Nunez
Penson
Pomerleau
Riis
Rocheleau
Schmidt
Silye
Solomon
Strahl
Thompson
Tremblay (Rosemont)
White (Fraser Valley West)

Gouk
Grubel
Hanrahan
Harris
Hermanson
Hoeppner
Kerpan
Landry
Laurin
Lebel
Loubier
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Paré
Plamondon
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Taylor
Tremblay (Rimouski—Témiscouata)
Venne
Williams—86

PAIRED—MEMBERS

Asselin
Bernier (Gaspé)
Bélisle
Dhaliwal
Godin
Guay
Leroux (Richmond—Wolfe)
Lincoln
McGuire
Payne
Verran
Young

Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Collenette
Gaffney
Grose
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Richardson
Wells
de Savoye

● (2225)

The Speaker: I declare the motion carried.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, in view of the concern about the estimates process and the willingness of all parties recognized in the House to improve the process, I would now seek unanimous consent to move the following motion, in the spirit of co-operation we have been getting and are anticipating later tonight.

I move:

That the Standing Committee on Procedure and House Affairs be instructed to undertake a comprehensive review of the business of supply, with particular

attention to the reform of the estimates, the processes and mechanisms by which the House and its committees may consider and dispose of them; and

That the committee make a report thereon no later than December 1, 1995.

Some hon. members: Hear, hear.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I welcome the motion the government has brought forward. There has been consultation with all parties in the House. Recognition that we may have been sitting here all night without even being able to vote to reduce the estimates brought to the attention of all of us the need to review the standing orders with a view to finding reforms to make this process meaningful so that we can adequately represent Canadians in the whole process of reviewing the expenditures of the government.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, in light of the fact that the New Democrats have expressed concern in the past about the way in which supply is dealt with here, we certainly concur with the motion put forward by the government whip.

In light of the fact that the government whip indicated there was agreement from all recognized parties in the House, we are happy to participate in the process.

The Speaker: Is that agreed?

Some hon. members: Agreed.

(Motion agreed to.)

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—MAIN ESTIMATES

The House resumed consideration of the business of supply.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

Motion No. 2

That Vote 5, in the amount of $155,817,000 under Parliament—House of Commons—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to ask, I think you would find unanimous consent to apply the vote just completed to the motion now before the House in the following way: Liberal Party members will vote yea.

Mr. Duceppe: On vote 5, Bloc Quebecois members will also vote yea.

[*English*]

Mr. Silye: Mr. Speaker, the Reform Party members vote no, but we really think the government should reduce this billion dollars by $9 million.

Mr. Solomon: Mr. Speaker, members of the New Democratic Party present in the House today vote nay.

Mr. MacLellan: Mr. Speaker, I rise on a point of order. I would like my vote to count with the government henceforth this evening.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 245*)

YEAS

Members

Alcock
Anawak
Arseneault
Augustine
Bachand
Barnes
Bergeron
Bethel
Blondin-Andrew
Bonin
Brien
Brushett
Bélair
Calder
Cannis
Caron
Cauchon
Chrétien (Frontenac)
Cohen
Copps
Crawford
Culbert
Daviault
Deshaies
Dhaliwal
Dromisky
Duceppe
Dumas
Easter
English
Fillion
Finlay
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Godfrey
Graham
Guimond
Harvard
Hopkins
Ianno
Irwin
Jacob
Karygiannis
Knutson
Lalonde
Langlois
Laurin
Lebel
Leblanc (Longueuil)
Loney
MacAulay
Maheu
Maloney
Marchand
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Allmand
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Bellemare
Bertrand
Bevilacqua
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Bélanger
Campbell
Canuel
Catterall
Chan
Clancy
Collins
Cowling
Crête
Dalphond-Guiral
Debien
DeVillers
Discepola
Dubé
Duhamel
Dupuy
Eggleton
Fewchuk
Finestone
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gerrard
Goodale
Guarnieri
Harb
Hickey
Hubbard
Iftody
Jackson
Jordan
Kirkby
Kraft Sloan
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Loubier
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Manley
Marleau
Massé
McKinnon
McTeague
Mercier
Milliken
Minna

Mitchell
Murray
Nunez
O'Reilly
Paradis
Paré
Peters
Phinney
Plamondon
Proud
Regan
Ringuette-Maltais
Rocheleau
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Venne
Wappel
Zed—177

Murphy
Nault
O'Brien
Pagtakhan
Parrish
Patry
Peterson
Pillitteri
Pomerleau
Reed
Rideout
Robillard
Rock
Sauvageau
Shepherd
Simmons
St-Laurent
Steckle
Stewart (Northumberland)
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Walker
Whelan

NAYS

Members

Abbott
Althouse
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Duncan
Frazer
Gouk
Grubel
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Morrison
Ramsay
Ringma
Scott (Skeena)
Solberg
Strahl
Thompson
Williams—47

Ablonczy
Benoit
Breitkreuz (Yellowhead)
Bridgman
de Jong
Epp
Gilmour
Grey (Beaver River)
Hanrahan
Harris
Hermanson
Hoeppner
Manning
Mayfield
McLaughlin
Mills (Red Deer)
Penson
Riis
Schmidt
Silye
Solomon
Taylor
White (Fraser Valley West)

PAIRED—MEMBERS

Asselin
Bernier (Gaspé)
Bélisle
Dhaliwal
Godin
Guay
Leroux (Richmond—Wolfe)
Lincoln
McGuire
Payne
Verran
Young

Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Collenette
Gaffney
Grose
Lefebvre
Leroux (Shefford)
MacDonald
Ménard
Richardson
Wells
de Savoye

The Speaker: I declare the motion carried.

• (2235)

Mr. Boudria: Mr. Speaker, I seek unanimous consent that the vote taken on vote 10 of the President of the Treasury Board under Human Resources Development, the first vote we took this evening, be also applied to the following:

Vote 1 of the President of the Treasury Board under Parliament and the Senate;

Vote 1 under the Privy Council, the department;

Vote 1 under National Revenue, the department;

Vote 1 under Human Resources Development, employment and immigration;

Vote 5 under Human Resources Development, employment insurance program;

Vote 25 under Human Resources Development, income security program;

Vote 30 under Human Resources Development, social development and education program;

Vote 1 under Western Economic Diversification;

Vote 1 under Health, the health program;

Vote 5, the President of the Treasury Board under the health program;

Vote 10 under Health, health program;

Vote 20 under Health, Medical Research Council;

Vote 25 under Health, Medical Research Council;

Vote 40 under Canadian Heritage, the Canada Council;

Vote 140 under Canadian Heritage, the Public Service Commission;

Vote 10 under Public Works, real property program;

Vote 35 under Public Works, the Canada Mortgage and Housing Corporation;

Vote 40 under Public Works, the Canada Post Corporation;

Vote 10 under Transport, the department;

Vote 1 under Agriculture, the department;

Vote 5 under Agriculture, the Canadian Grain Commission;

Vote 10 under Agriculture, the department;

Vote 15 under Agriculture, grants and contributions;

Vote 15 under Human Resources Development, labour program;

Vote 20 under Human Resources Development, labour program;

Vote 40 under Human Resources Development, the Canada Labour Relations Board;

Vote 50 under Human Resources Development, the Canadian Centre for Occupational Health;

Vote 1 under Citizenship and Immigration, the department;

Vote 5 under Citizenship and Immigration, the department;

Vote 1 under Foreign Affairs and International Trade, external affairs;

Vote 5 under Foreign Affairs and International Trade, external affairs;

Vote 10 under Foreign Affairs and International Trade, external affairs, grants and contributions;

Vote 1 under Natural Resources, energy, mines and resources program;

Vote 5 under Natural Resources, energy, mines and resources program;

Vote 10 under Natural Resources, energy, mines and resources program;

Vote 25 under the Privy Council, official languages;

Vote 5 under the Atlantic Canada Opportunities Agency;

Vote 1 under the Treasury Board;

Vote 5 under the Treasury Board;

Vote 45 under Finance, FORD–Q;

Vote 50 under Finance;

Vote 5 under Western Economic Diversification, program;

Vote 10 under Environment;

Vote 5 under the Privy Council;

Vote 35 under the Privy Council;

Vote 5 under Finance.

• (2240)

The Speaker: Is that agreed?

Some hon. members: Agreed.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

Motion No. 3

That Vote 1, in the amount of $26,492,000 under Parliament—Senate—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 246)

YEAS

Members

Alcock
Anawak
Arseneault
Augustine
Bakopanos
Bellemare
Bethel
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Bélanger
Campbell
Catterall
Chan
Cohen
Copps
Crawford
DeVillers
Discepola
Duhamel
Easter
English
Finestone
Flis
Fry
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gerrard
Goodale
Guarnieri
Harvard
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Reilly
Paradis
Patry
Peterson
Pillitteri
Reed
Rideout
Robillard
Rompkey
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo
Thalheimer
Torsney
Valeri
Walker
Whelan
Allmand
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bertrand
Bevilacqua
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Cauchon
Clancy
Collins
Cowling
Culbert
Dhaliwal
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gagliano
Gallaway
Godfrey
Graham
Harb
Hickey
Hubbard
Iftody
Jackson
Karygiannis
Knutson
Lastewka
Lee
MacAulay
Maheu
Maloney
Marleau
Massé
McKinnon
McTeague
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Pagtakhan
Parrish
Peters
Phinney
Proud
Regan
Ringuette–Maltais
Rock
Serré
Sheridan
Skoke
Steckle
Stewart (Northumberland)
Terrana
Tobin
Ur
Vanclief
Wappel
Zed—138

NAYS

Members

Abbott
Althouse
Benoit
Blaikie
Ablonczy
Bachand
Bergeron
Breitkreuz (Yellowhead)

Breitkreuz (Yorkton—Melville)	Bridgman
Brien	Brown (Calgary Southeast)
Canuel	Caron
Chrétien (Frontenac)	Crête
Dalphond-Guiral	Daviault
Debien	de Jong
Deshaies	Dubé
Duceppe	Dumas
Duncan	Epp
Fillion	Frazer
Gagnon (Québec)	Gauthier (Roberval)
Gilmour	Gouk
Grey (Beaver River)	Grubel
Guimond	Hanrahan
Harper (Simcoe Centre)	Harris
Hayes	Hermanson
Hill (Prince George—Peace River)	Hoeppner
Jacob	Kerpan
Lalonde	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Loubier
Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	McLaughlin
Mercier	Meredith
Mills (Red Deer)	Morrison
Nunez	Paré
Penson	Plamondon
Pomerleau	Ramsay
Riis	Ringma
Rocheleau	Sauvageau
Schmidt	Scott (Skeena)
Silye	Solberg
Solomon	St-Laurent
Strahl	Taylor
Thompson	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Venne
White (Fraser Valley West)	Williams—86

PAIRED—MEMBERS

Asselin	Bellehumeur
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bélisle	Collenette
Dhaliwal	Gaffney
Godin	Grose
Guay	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	MacDonald
McGuire	Ménard
Payne	Richardson
Verran	Wells
Young	de Savoye

The Speaker: I declare the motion carried.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

Motion No. 4

That Vote 1, in the amount of $70,748,000 under Privy Council—Department—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 5

That Vote 1, in the amount of $1,779,862,000 under National Revenue—Department—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 6

That Vote 1, in the amount of $62,763,000 under Human Resources Development—Employment and Immigration—Corporate Services Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 7

That Vote 5, in the amount of $194,947,000 under Human Resources Development—Employment and Immigration—Employment and Insurance Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 8

That Vote 25, in the amount of $110,710,000 under Human Resources Development—Employment and Immigration—Income Security Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 9

That Vote 30, in the amount of $38,976,000 under Human Resources Development—Employment and Immigration—Social Development and Education Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 10

That Vote 1, in the amount of $30,058,000 under Western Economic Diversification—Department—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 11

That Vote 1, in the amount of $986,179,000 under Health—National Health and Welfare—Health Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 12

That Vote 5, in the amount of $59,279,000 under Health—National Health and Welfare—Health Program—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 13

That Vote 10, in the amount of $523,327,000 under Health—National Health and Welfare—Health Program—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 14

That Vote 20, in the amount of $7,367,000 under Health—Medical Research Council—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 15

That Vote 25, in the amount of $242,182,000 under Health—Medical Research Council—Grants, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted In Interim Supply), be concurred in.

Motion No. 16

That Vote 40, in the amount of $95,882,000 under Canadian Heritage—Canada Council—Payments to the Canada Council, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 17

That Vote 140, in the amount of $110,961,000 under Canadian Heritage—Public Service Commission—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 18

That Vote 10, in the amount of $966,853,000 under Public Works and Government Services—Public Works and Supply and Services—Real Property Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 19

That Vote 35, in the amount of $2,025,649,000 under Public Works and Government Services—Canada Mortgage and Housing Corporation—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 20

That Vote 40, in the amount of $14,000,000 under Public Works and Government Services—Canada Post Corporation—Payments to the Canada Post Corporation for special purposes, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 21

That Vote 10, in the amount of $329,139,000 under Transport—Department—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 23

NONP21

That Vote 1, in the amount of $569,216,000 under Agriculture and Agri-Food—Department—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 24

That Vote 5, in the amount of $41,694,000 under Agriculture and Agri-Food—Department—Canadian Grain Commission—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 25

That Vote 10, in the amount of $103,731,000 under Agriculture and Agri-Food—Department—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 26

That Vote 15, in the amount of $364,714,000 under Agriculture and Agri-Food—Department—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 27

That Vote 15, in the amount of $44,135,000 under Human Resources Development—Employment and Immigration—Labour Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 28

That Vote 20, in the amount of $7,429,000 under Human Resources Development—Employment and Immigration—Labour Program—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 29

That Vote 40, in the amount of $8,287,000 under Human Resources Development—Canada Labour Relations Board—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 31

That Vote 50, in the amount of $2,026,000 under Human Resources Development—Canadian Centre for Occupational Health and Safety—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 32

That Vote 1, in the amount of $286,173,000 under Citizenship and Immigration—Department—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 33

That Vote 5, in the amount of $24,834,000 under Citizenship and Immigration—Department—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 35

That Vote 1, in the amount of $799,047,000 under Foreign Affairs and International Trade—External Affairs—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 36

That Vote 5, in the amount of $90,725,000 under FOREIGN Affairs and International Trade—External Affairs—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 37

That Vote 10, in the amount of $354,594,600 under Foreign Affairs and International Trade—External Affairs—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 38

That Vote 1, in the amount of $340,973,000 under Natural Resources—Energy, Mines and Resources and Forestry—Energy, Mines and Resources Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 39

That Vote 5, in the amount of $48,835,000 under Natural Resources—Energy, Mines and Resources and Forestry—Energy, Mines and Resources Program—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 40

That Vote 10, in the amount of $200,332,100 under Natural Resources—Energy, Mines and Resources and Forestry—Energy, Mines and Resources Program—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 41

That Vote 25, in the amount of $10,143,000 under Privy Council—Commissioner of Official Languages—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 42

That Vote 5, in the amount of $313,261,000 under Atlantic Canada Opportunities Agency—Department—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 43

That Vote 1, in the amount of $75,190,000 under Treasury Board—Secretariat—Central Administration of the Public Service Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 44

That Vote 5, in the amount of $450,000,000 under Treasury Board—Secretariat—Government Contingencies and Centrally Financed Programs—Government Contingencies, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 46

That Vote 45, in the amount of $23,419,000 under FINANCE—Federal Office of Regional Development–Quebec—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 47

That Vote 50, in the amount of $397,987,435 under FINANCE—Federal Office of Regional Development–Quebec—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 48

That Vote 5, in the amount of $435,876,000 under Western Economic Diversification—Department—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 49

That Vote 10, in the amount of $46,508,100 under Environment—Department—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 50

That Vote 5, in the amount of $9,049,000 under Privy Council—Canadian Centre for Management Development—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 52

That Vote 35, in the amount of $5,473,000 under Privy Council—Public Service Staff Relations Board—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 53

That Vote 5, in the amount of $820,000,000 under Finance—Department—Financial and Economic Policies Program—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

[*Editor's Note: See list under Division No. 246.*]

The Speaker: I declare the motions carried.

(Motions Nos. 4 to 21, 23 to 29, 31 to 33, 35 to 44, 46 to 50, 52 and 53 agreed to.)

Mr. Boudria: Mr. Speaker, I ask for unanimous consent that the vote taken on vote 5 under Parliament—House of Commons, in other words the second vote we took this evening, be applied to the following:

Vote 35 under Transport—Department—Payments to the Laurentian Pilotage Authority;

Vote 45 under Human Resources Development—Canadian Artists;

Vote 10 under Citizenship and Immigration—Department;

Vote 10 under the President of the Treasury Board—Treasury Board;

Vote 10 under Privy Council;

Vote 1 under Indian Affairs and Northern Development;

Vote 5 under Indian Affairs and Northern Development—Inuit Affairs Program;

Vote 10 under Indian Affairs and Northern Development;

Vote 15 under Indian Affairs and Northern Development;

Vote 20 under Indian Affairs and Northern Development;

Vote 30 under Indian Affairs and Northern Development.

The Speaker: Is it agreed?

Mr. Duceppe: Agreed.

Mr. Silye: Mr. Speaker, the Reform Party agrees with everything the government whip has said to date. However, I further ask if he would not want to apply the same vote to L30.

The Speaker: Is it agreed?

Some hon. members: Agreed.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

Motion No. 22

That Vote 35, in the amount of $4,340,000 under Transport—Department—Payments to the Laurentian Pilotage Authority, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 30

That Vote 45, in the amount of $1,580,000 under Human Resources Development—Canadian Artists and Producers Professional Relations Tribunal—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 34

That Vote 10, in the amount of $256,335,000 under Citizenship and Immigration—Department—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 45

That Vote 10, in the amount of $1,369,000 under Treasury Board—Secretariat—Government Contingencies and Centrally Financed Programs—Reprography, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 51

That Vote 10, in the amount of $2,939,000 under Privy Council—Canadian Intergovernmental Conference Secretariat—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 54

That Vote 1, in the amount of $39,128,000 under Indian Affairs and Northern Development—Department—Administration Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 55

That Vote 5, in the amount of $197,331,000 under Indian Affairs and Northern Development—Department—Indian and Inuit Affairs Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 56

That Vote 10, in the amount of $5,343,000 under Indian Affairs and Northern Development—Department—Indian and Inuit Affairs Program—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 57

That Vote 15, in the amount of $3,528,728,000 under Indian Affairs and Northern Development—Department—Indian and Inuit Affairs Program—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 58

That Vote L20, in the amount of $25,226,000 under Indian Affairs and Northern Development—Department—Indian and Inuit Affairs Program—Loans to native claimants, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

Motion No. 59

That Vote L30, in the amount of $19,300,000 under Indian Affairs and Northern Development—Department—Indian and Inuit Affairs Program—Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process, in the Main Estimates for the fiscal year ending March 31, 1996 (less the amount voted in Interim Supply), be concurred in.

[*Editor's Note: See list under Division No. 245.*]

The Speaker: I declare the motions carried.

(Motions Nos. 22, 30, 34, 45, 51, 54, 55, 56, 57, 58 and 59 agreed to)

CONCURRENCE IN MAIN ESTIMATES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

Supply

That the main estimates for the fiscal year ending March 31, 1996, except any vote disposed of earlier today and less the amounts voted in interim supply, be concurred in.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to ask, I think you would find unanimous consent to apply the vote on vote 10, under Department of Human Resources Development, in other words, the first vote taken earlier tonight, to the motion now before the House.

[*English*]

The Speaker: Is it agreed?

Some hon. members: Agreed.

Mr. Harper (Calgary West): Mr. Speaker, I also give my consent, provided my name is added to the list of those in opposition to the motion.

The Speaker: Is it agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 247*)

YEAS

Members

Alcock	Allmand
Anawak	Anderson
Arseneault	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Bellemare	Bertrand
Bethel	Bevilacqua

Blondin–Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélanger	Calder
Campbell	Cannis
Catterall	Cauchon
Chan	Clancy
Cohen	Collins
Copps	Cowling
Crawford	Culbert
DeVillers	Dhaliwal
Discepola	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finestone	Finlay
Flis	Fontana
Fry	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gerrard	Godfrey
Goodale	Graham
Guarnieri	Harb
Harvard	Hickey
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Jordan	Karygiannis
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)	Maheu
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murphy	Murray
Nault	O'Brien
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Peters
Peterson	Phinney
Pillitteri	Proud
Reed	Regan
Rideout	Ringuette-Maltais
Robillard	Rock
Rompkey	Serré
Shepherd	Sheridan
Simmons	Skoke
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Terrana
Thalheimer	Tobin
Torsney	Ur
Valeri	Vanclief
Walker	Wappel
Whelan	Zed—138

NAYS

Members

Abbott	Ablonczy
Althouse	Bachand
Benoit	Bergeron
Blaikie	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Bridgman
Brien	Brown (Calgary Southeast)
Canuel	Caron
Chrétien (Frontenac)	Crête
Dalphond-Guiral	Daviault
Debien	de Jong
Deshaies	Dubé
Duceppe	Dumas
Duncan	Epp
Fillion	Frazer
Gagnon (Québec)	Gauthier (Roberval)
Gilmour	Gouk
Grey (Beaver River)	Grubel
Guimond	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hayes
Hermanson	Hill (Prince George—Peace River)
Hoeppner	Jacob
Kerpan	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Leblanc (Longueuil)
Loubier	Manning
Marchand	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
McLaughlin	Mercier
Meredith	Mills (Red Deer)
Morrison	Nunez
Paré	Penson
Plamondon	Pomerleau
Ramsay	Riis
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Solomon
St-Laurent	Strahl
Taylor	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne	White (Fraser Valley West)
Williams—87	

PAIRED—MEMBERS

Asselin	Bellehumeur
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bélisle	Collenette
Dhaliwal	Gaffney
Godin	Grose
Guay	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	MacDonald
McGuire	Ménard
Payne	Richardson
Verran	Wells
Young	de Savoye

● (2245)

The Speaker: I declare the motion carried.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved that Bill C–97, an act for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 1996, be read the first time.

(Motion deemed adopted and bill read the first time.)

Mr. Eggleton moved that the bill be read the second time and referred to committee of the whole.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

[*Translation*]

Mr. Boudria: Mr. Speaker, if you seek it, I believe you will again find there is unanimous consent to apply the results of the vote on the first motion this evening, that is on vote 10 under Department of Human Resources Development, to the motion now before the House. I move that the vote taken on the motion I indicated earlier be now applied to the motion before this House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 247*]

The Speaker: Pursuant to Standing Order 100, I do now leave the chair for the House to go into committee of the whole.

(Motion agreed to, bill read the second time and the House went in committee thereon, Mr. Kilger in the chair).

The Assistant Deputy Chairman: Order. The House is now in committee of the whole to consider Bill C–97, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

Shall Clause 2 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 2 agreed to.)

• (2250)

Mr. Gauthier (Roberval): Mr. Speaker, could the President of the Treasury Board please confirm that this bill is the same in every respect as those passed in previous years?

[*English*]

Mr. Eggleton: Mr. Chairman, it is my pleasure to intform the House that the form of the bill is the same as that passed in previous years.

[*Translation*]

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 3 agreed to.)

The Assistant Deputy Chairman: Shall Clause 4 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 4 agreed to.)

[*English*]

The Assistant Deputy Chairman: Shall clause 5 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 5 agreed to.)

The Assistant Deputy Chairman: Shall clause 6 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 6 agreed to.)

The Assistant Deputy Chairman: Shall the schedule carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Schedule agreed to.)

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 1 agreed to.)

The Assistant Deputy Chairman: Shall the preamble carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Preamble agreed to.)

The Assistant Deputy Chairman: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Title agreed to.)

(Bill reported.)

Mr. Eggleton moved that the bill be concurred in.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent that the vote taken at second reading also apply to concurrence of the bill.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 247.*]

(Motion agreed to.)

Mr. Eggleton moved that the bill be read the third time and passed.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent that the result taken at second reading of the appropriation act now apply to third reading.

While I am on my feet I want to indicate to all of my colleagues, particularly the whips of the other parties, my thanks for their co–operation. Through the efforts of everyone tonight notwithstanding our differences we were able to take some ten hours of voting and accelerate it to one hour.

I want to indicate to all of my colleagues our appreciation for their excellent work; we can differ and yet we can work together.

Mr. Silye: Mr. Speaker, I would also like to add some words to what the government whip said.

I thank him for his appreciation and his co–operation and his intelligence in listening to our advice on how to deal with the estimates next year.

[*Editor's Note: See list under Division No. 247.*]

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

The Speaker: The government whip and the Reform whip both had words to say. May I, as your Speaker, say well done. Thank you.

It being 11 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 10.56 p.m.)

HOUSE OF COMMONS

Thursday, June 8, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 38, I have the honour to table, in both official languages, the government's response to four petitions.

* * *

[*English*]

RAILWAY SAFETY ACT

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the government's response to the report of the Railway Safety Act review committee.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the fifth report of the Standing Committee on Foreign Affairs and International Trade concerning Bill C–87, an act to implement the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

[*English*]

The committee has considered this bill and presents it without amendment.

• (1005)

CONFERENCE ON HIV–AIDS

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 56(1), I move:

That the Subcommittee on HIV–AIDS be authorized to send a member of its research staff to the annual Conference on HIV–AIDS Research to be held in Winnipeg, Manitoba, June 8 to 11, 1995.

The Speaker: Will those members who object to the motion please rise in their places?

And fewer than 25 members having risen:

The Speaker: Pursuant to Standing Order 56.1.(3), the motion is adopted.

(Motion agreed to.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, yesterday I tabled the 81st report of the Standing Committee on Procedure and House Affairs regarding Private Members' Business. I know all hon. members will have had an opportunity to read the report.

Accordingly, at this time I wonder if there would be unanimous consent of the House to move concurrence in that report without debate. If so, I move that the 81st report of the Standing Committee on Procedure and House Affairs presented to the House on Wednesday, June 7, 1995 be concurred in.

(Motion agreed to.)

* * *

PETITIONS

BOVINE SOMATOTROPIN

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, I have a petition from the residents of Saskatoon who request that Parliament desist from passing legislation legalizing the use of BST.

They further request that legislation be passed requiring mandatory disclosure on all imports produced from BST treated cows.

RIGHTS OF VICTIMS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of 30 individuals from the riding of Saanich—Gulf Islands and surrounding areas.

The petitioners pray and call on the House to enact legislation to reform the justice system for a more just and safe society, increasing recognition and protection for the rights of victims.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents of Barrière, British Columbia. This brings the total to almost 80,000 signatures.

The petitioners call on the Government of Canada, and particularly the Minister of Justice, to take whatever steps are necessary to amend the Criminal Code and parole system to ensure safety and peace in Canadian neighbourhoods.

[*Translation*]

SMALL AND MEDIUM SIZE BUSINESSES

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, concerning small and medium size businesses, these petitioners point out the following:

[*English*]

They point out that while there has been more access to capital for small and medium sized businesses and while there has been a reduction in red tape in dealing with government that still a great deal more needs to be done.

They also emphasize that the GST is still a problem in terms of overhead. They want the government to address these problems because they point out that they contribute to 85 per cent of the new jobs to the Canadian economy.

THE FAMILY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating across Canada. This petition comes from my riding of Mississauga South.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

• (1010)

They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home to preschool children, the disabled, the chronically ill and the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home preschool children, the disabled, the chronically ill or the aged.

LAND CLAIMS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, I rise today to present two separate petitions.

The first petition is signed by 675 individuals who call on Parliament to halt native land claim negotiations in British Columbia and turn Indian reserves over to the bands, fee simple, and that the land and the natives fall under the same laws as the rest of Canada.

REFORM PARTY

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, the second petition is signed by 46 individuals who call on Parliament to recognize the Reform Party of Canada as the official opposition.

SOCIAL PROGRAMS

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present several petitions signed by residents of my riding of Edmonton East.

The first petition calls on Parliament to maintain and enhance social programs for every Canadian.

HUMAN RIGHTS

Ms. Judy Bethel (Edmonton East, lib.): Mr. Speaker, I present a second petition from a group of Canadians who believe that Parliament should protect all individuals from discrimination based on sexual orientation by including the term, sexual orientation, in the Canadian Human Rights Act.

ASSISTED SUICIDE

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, the third petition deals with euthanasia. The petitioners ask Parliament to reject euthanasia and physician assisted suicide in Canada and to expand palliative care that would be accessible to all dying Canadians.

GUN CONTROL

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I have a petition from the Langham area in the Kindersley—Lloydminister constituency.

The petition, duly certified by the clerk of petitions, states that the existing controls on law-abiding, responsible firearms' owners are more than enough to ensure public safety.

It goes on to say that the target of all gun control laws in the Criminal Code of Canada must be criminals who are either a danger to the safety of the public or those who have criminal intent, not law–abiding citizens.

No amount of gun control has ever succeeded in preventing criminals from acquiring guns. Therefore, the petitioners request three things of Parliament. First, that we support laws which would severely punish all violent criminals who use weapons in the commission of crimes. Second, that we support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms. Third, the petitioners support legislation which will repeal and modify existing gun control laws which have not improved public safety or have proven not to be cost effective.

PARLIAMENTARY PRAYER

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from residents of the city and county of Peterborough.

Whereas the name of our Lord, Jesus Christ, in the Lord's Prayer has been included in the historic parliamentary prayer of the House of Commons since 1867, and whereas Canada was founded and built on the principles of Christianity and the large majority of Canadians profess the Christian faith, therefore the petitioners call on the House of Commons to close the parliamentary prayer with the words: "Through Jesus Christ our Lord, Amen", and reinstate the Lord's Prayer at the conclusion of the opening prayer.

THE FAMILY

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition.

The petitioners call on Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children as well as for the disabled, the chronically ill and the aged.

CANADIAN BROADCASTING CORPORATION

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, I rise today to present a petition signed by constituents of Victoria—Haliburton from such places as Bobcaygeon, Lindsay, Woodville, Dunsford and Downeyville.

The petitioners call on Parliament to request the CBC to withdraw its coverage of the Paul Bernardo trail.

ROYAL CANADIAN MOUNTED POLICE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, I have two petitions.

The first is from petitioners in the Yukon territory who find it unacceptable that individuals die while in the custody of the Royal Canadian Mounted Police. Each incident of death while in custody undermines public confidence.

The petitioners therefore call on Parliament to review RCMP procedures for dealing with individuals in custody who are known to have medical conditions.

GUN CONTROL

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the second petition is from residents of the Yukon territory, from Dawson City, Yukon, who draw to the attention of the House that the use of firearms by criminals cannot be affected by a computerized firearms control system.

• (1015)

The petitioners request that Parliament support only that legislation which severely punishes any violent criminal who uses a weapon and protects the rights and freedoms of the law–abiding recreational firearms community.

AGRICULTURE

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, I have two petitions from people in my riding objecting to the generic manipulation of dairy cows through the injection of BST. Their argument seems to be that if Canada is not short of milk why would we unnecessarily risk health hazards that may go with this drug and if we need more milk, why not get more cows.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I rise again today to ask the government House leader when I can expect to receive an answer to Question No. 137, which has been on the Order Paper since February 6, 1995.

I requested an answer from the government within 45 days and as of today 122 days have passed.

Yesterday the parliamentary secretary to the government House leader said I could expect to have an answer to my question soon. I find it hard to believe the Department of Justice does not have this information already. The minister said it is currently renegotiating financial agreements with the provinces to reimburse them for these costs.

It is vital that we have this information on the current costs of implementing the federal gun control laws before the final vote on Bill C–68.

Can the parliamentary secretary tell us what he means by soon? Will we have the answer before third reading of Bill C–68?

Mr. Milliken: Mr. Speaker, I cannot give any further undertaking to the hon. member than what I already have. I told him yesterday the answer will be provided soon. My answer is the same today.

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FIREARMS ACT

BILL C–68—TIME ALLOCATION MOTION

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wish to inform the House that there has been an agreement pursuant to the provisions of Standing Order 78(2) with respect to allocation of time for the report stage and the third reading stage of Bill C–68, an act respecting firearms and other weapons. I therefore move, seconded by the Minister of Indian and Northern Affairs:

> That, in relation to C–68, An Act respecting firearms and other weapons, not more than 6 hours shall be allotted to the consideration of the report stage of the said bill and not more than six hours shall be allotted to the consideration of the third reading stage of the said bill and, at the expiry of the time provided for each stage, any proceedings before the House shall be interrupted, if required for the purposes of this Order, and, in turn, every question necessary for the disposal of the report stage or the third reading stage, as the case may be, of the bill shall be put forthwith and successively without further debate or amendment.

[*English*]

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: Call in the members.

(The House divided on the motion which was agreed to on the following division:)

(Division No. 248)

YEAS

Members

Adams	Alcock
Allmand	Anderson
Arseneault	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bachand	Bakopanos
Barnes	Bellemare
Bergeron	Bertrand
Bethel	Bevilacqua
Blondin–Andrew	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélanger	Caccia
Campbell	Cannis
Canuel	Caron
Catterall	Chan
Clancy	Cohen
Collins	Copps
Cowling	Culbert
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Dubé
Duceppe	Duhamel
Dumas	Dupuy
Eggleton	English
Fillion	Finestone
Finlay	Flis
Fontana	Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)	Gagnon (Québec)
Gallaway	Gauthier (Roberval)
Gerrard	Godfrey
Goodale	Graham
Guarnieri	Guimond
Harb	Harvard
Hickey	Hopkins
Hubbard	Ianno
Irwin	Jacob
Jordan	Kirkby
Knutson	Kraft Sloan
Lalonde	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Loney
Loubier	MacAulay
MacLaren	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McLellan (Edmonton Northwest)
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Murphy
Murray	Nunez
O'Brien	O'Reilly
Ouellet	Pagtakhan
Paradis	Parrish
Paré	Patry
Peters	Peterson
Phinney	Pillitteri
Plamondon	Pomerleau
Proud	Reed
Regan	Rideout
Ringuette–Maltais	Robichaud
Robillard	Rompkey
Sauvageau	Serré
Shepherd	Sheridan
Simmons	Skoke
St–Laurent	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Terrana	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Venne
Walker	Whelan—152

NAYS

Members

Abbott	Ablonczy
Benoit	Blaikie
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)
Duncan	Epp
Frazer	Gilmour
Grey (Beaver River)	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hoeppner
Jennings	Kerpan
Manning	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
McLaughlin	Meredith
Mills (Red Deer)	Morrison
Penson	Ramsay
Riis	Schmidt
Scott (Skeena)	Silye
Solberg	Solomon
Strahl	Thompson
White (Fraser Valley West)	Williams—42

PAIRED—MEMBERS

Anawak	Assad
Asselin	Bellehumeur
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bouchard	Bélisle
Chrétien (Frontenac)	Collenette
Crête	Dalphond-Guiral
Debien	Dhaliwal
Gaffney	Godin
Gray (Windsor West)	Grose
Guay	Jackson
Landry	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	MacDonald
McGuire	Minna
Ménard	Payne
Picard (Drummond)	Richardson
Rocheleau	Scott (Fredericton—York—Sunbury)
Tobin	Verran
Wells	Whelan
Young	de Savoye

• (1100)

The Speaker: I declare the motion carried.

Ms. Fry: Mr. Speaker, on a point of order, I did not get here on time for the vote, but I want you to know that if I were here I would have voted with my party on this issue.

* * *

POINTS OF ORDER

BILL C-68

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I want to bring a procedural matter to your attention.

Points of Order

Bill C-68 was tabled on February 14 with a royal recommendation. The Standing Committee on Justice did not rule a government amendment calling for the appropriation of funds from consolidated revenues out of order. However, on June 5, 1995, the chairman, the hon. member for Notre-Dame-de-Grâce, ruled a series of amendments moved by the member for Hamilton Mountain on behalf of the member for Fredericton—York—Sunbury out of order as an expenditure of funds that would be necessary to affect the provisions.

On June 1, 1995, the vice-chairperson, the member for London West, with what appears to be without advice from the clerk of the committee, permitted clauses 98, 99, 100, 101, and 101.1 to be amended to replace certain duties of police officers in making the duties of firearms inspectors.

The parliamentary secretary stated that while police officers will also in some cases carry out the function of inspectors, in some areas the police are fully employed at present. These officers do not have the luxury to assume additional demands on their time. In those circumstances, inspectors will be hired and trained to enforce the Firearms Act.

I quote from the transcript of the committee proceedings:

> Inspectors wouldn't be police officers. They may be in some smaller communities where the police officer could do this role, but in most communities the police officers' time is so taken up right now that to give the police officers these additional tasks would not be reasonable. In most cases they would be separate. New inspectors would be hired and trained to fulfil the role.

• (1105)

Obviously this new provision in the bill will result in an expenditure of funds. The Governor General has not provided the House with the required recommendation in this regard. I would quote from citation 598 of Beauchesne's:

> No cases can be found of any private member receiving the authority of the Crown to propose a bill or motion involving either the expenditure of public money or an increase in taxation.

The royal recommendation included in Bill C-68 did not contemplate the appropriation of public revenue for the expenditure outlined in the government amendments G-41, G-42, G-43, G-44, and G-46.

Furthermore, the Constitution Act of 1867, section 54, states:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in Session in which such Vote, Resolution, Address, or Bill is proposed.

I will not take the time of the House, but I could also quote from citations 595 and 596 of Beauchesne's, which also verify this requirement.

The first government amendment was not ruled out of order by the vice–chair of the committee. Whether that was due to lack of experience or the lack of procedural advice from the clerk is no longer at issue here. With respect, what is at issue is Bill C–68, as reported to this House on Wednesday, June 7, 1995, is not lawful.

Mr. Speaker, I ask you to review the minutes of the committee to verify that what I have presented to you is absolutely correct and accurate.

I have one short additional comment. This bill was reported yesterday. The government has not even seen all of the amendments. Therefore, Mr. Speaker, I bring two points to your attention. Drafters have not had time to draft amendments, so they have not all been tabled. In spite of this, the government has moved time allocation and closure on this bill. If this is not illegal, it is certainly immoral.

Second, I believe that it is not only imperative but it is your duty, Mr. Speaker, to not permit debate on Bill C–68 until you have ruled on this matter.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, as the Chair will recognize, this bill is not called today. Therefore, any royal recommendation that would be required, if such were required, would not be required today in any instance.

You can be sure, Mr. Speaker, because of the government's tremendous respect for the rules of the House, that the royal recommendation that is required will be provided when it is required.

The Speaker: There has been a request that I make a review of what has gone on. I will make that review and come back to the House today with my decision on this particular matter.

* * *

[*Translation*]

CRIMINAL CODE

BILL C–41—TIME ALLOCATION MOTION

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wish to inform the House that there has been an agreement pursuant to the provisions of Standing Order 78(2) with respect to allocation of time for the report stage and the third reading stage of Bill C–41, an act to amend the Criminal Code (sentencing) and other acts in consequence thereof. I therefore move, seconded by the Minister of Indian and Northern Affairs:

> That, in relation to Bill C–41, An Act to amend the Criminal Code (sentencing) and other Acts in consequence thereof, not more than six hours shall be allotted to the consideration of the report stage of the said bill and not more than six hours shall be allotted to the consideration of the third reading stage, of the said bill and, at the expiry of the time provided for each stage, any proceedings before the House shall be interrupted, if required for the purposes of this Order, and, in turn, every question necessary for the disposal of the report stage or the third reading stage, as the case may be, of the bill shall be put forthwith and successively without further debate or amendment.

● (1110)

[*English*]

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion, the yeas have it.

And more than five members having risen:

The Speaker: Call in the members.

(The House divided on the motion, which was agreed to on the following division:

(*Division No. 249*)

YEAS

Members

Adams	Alcock
Allmand	Anderson
Arseneault	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bachand	Bakopanos
Barnes	Bellemare
Bergeron	Bertrand
Bethel	Bevilacqua
Blondin–Andrew	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélanger	Caccia
Campbell	Cannis
Canuel	Caron
Catterall	Chan
Clancy	Cohen
Collins	Copps
Cowling	Culbert
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Dubé
Duceppe	Duhamel
Dumas	Dupuy
Eggleton	English
Fillion	Finestone
Finlay	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gagnon (Québec)	Gallaway
Gauthier (Roberval)	Gerrard
Godfrey	Goodale
Graham	Guarnieri
Guimond	Harb
Harvard	Hickey
Hopkins	Hubbard
Ianno	Irwin
Jacob	Jordan
Kirkby	Knutson
Kraft Sloan	Lalonde
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Loney	Loubier

MacAulay
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
Mifflin
Minna
Murphy
Nunez
O'Reilly
Pagtakhan
Parrish
Patry
Peterson
Pillitteri
Pomerleau
Reed
Rideout
Robichaud
Rompkey
Serré
Sheridan
St-Laurent
Steckle
Stewart (Northumberland)
Terrana
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Walker
MacLaren
Maloney
Marchand
Marleau
Massé
McKinnon
McWhinney
Milliken
Mitchell
Murray
O'Brien
Ouellet
Paradis
Paré
Peters
Phinney
Plamondon
Proud
Regan
Ringuette-Maltais
Robillard
Sauvageau
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo
Torsney
Tremblay (Rosemont)
Valeri
Venne
Whelan—152

NAYS

Members

Abbott
Benoit
Breitkreuz (Yellowhead)
Bridgman
Epp
Gilmour
Harper (Calgary West)
Harris
Hayes
Hoeppner
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Riis
Scott (Skeena)
Solberg
Strahl
White (Fraser Valley West)
Ablonczy
Blaikie
Breitkreuz (Yorkton—Melville)
Duncan
Frazer
Grey (Beaver River)
Harper (Simcoe Centre)
Hart
Hermanson
Jennings
Manning
Mayfield
Meredith
Morrison
Ramsay
Schmidt
Silye
Solomon
Thompson
Williams—40

PAIRED—MEMBERS

Anawak
Asselin
Bernier (Gaspé)
Bouchard
Chrétien (Frontenac)
Crête
Debien
Gaffney
Gray (Windsor West)
Guay
Landry
Leroux (Richmond—Wolfe)
Lincoln
McGuire
Ménard
Picard (Drummond)
Rocheleau
Tobin
Wells
Young
Assad
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Bélisle
Collenette
Dalphond-Guiral
Dhaliwal
Godin
Grose
Jackson
Lefebvre
Leroux (Shefford)
MacDonald
Minna
Payne
Richardson
Scott (Fredericton—York—Sunbury)
Verran
Whelan
de Savoye

The Speaker: I declare the motion carried.

* * *

• (1120)

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

BILL C-85—TIME ALLOCATION MOTION

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wish to inform the House that there has been an agreement pursuant to Standing Order 78(2) with respect to allocation of time for the report stage and the third reading stage of Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision.

I therefore move:

That, in relation to Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, not more than four hours shall be allotted to the consideration of the report stage of the said bill and not more than four hours shall be allotted to the consideration of the third reading stage of the said bill, and at the expiry of the time provided for each stage, any proceedings before the House shall be interrupted, if required for the purposes of this order, and in turn, every question necessary for the disposal of the report stage or the third reading stage, as the case may be, of the bill shall be put forthwith and successively without further debate or amendment.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 250*)

YEAS

Members

Adams
Allmand
Arseneault
Augustine
Bachand
Alcock
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos

Barnes	Bellemare
Bergeron	Bertrand
Bethel	Bevilacqua
Blondin–Andrew	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélanger	Campbell
Cannis	Canuel
Caron	Catterall
Chan	Clancy
Cohen	Collins
Copps	Cowling
Culbert	Deshaies
DeVillers	Dhaliwal
Dingwall	Discepola
Dubé	Duceppe
Duhamel	Dumas
Dupuy	Eggleton
English	Fillion
Finestone	Finlay
Flis	Fontana
Fry	Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)	Gagnon (Québec)
Gallaway	Gauthier (Roberval)
Gerrard	Godfrey
Goodale	Graham
Guarnieri	Guimond
Harb	Harvard
Hickey	Hopkins
Hubbard	Ianno
Irwin	Jacob
Jordan	Kirkby
Knutson	Kraft Sloan
Lalonde	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Loney
Loubier	MacAulay
MacLaren	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McLellan (Edmonton Northwest)
McWhinney	Mifflin
Milliken	Minna
Mitchell	Murphy
Murray	Nunez
O'Brien	O'Reilly
Ouellet	Pagtakhan
Paradis	Parrish
Paré	Patry
Peters	Peterson
Phinney	Pillitteri
Plamondon	Pomerleau
Proud	Reed
Regan	Rideout
Ringuette–Maltais	Robichaud
Robillard	Rompkey
Sauvageau	Serré
Shepherd	Sheridan
Simmons	Skoke
St–Laurent	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Terrana	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Venne
Walker	Whelan—152

NAYS

Members

Abbott	Ablonczy
Benoit	Blaikie
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Duncan
Epp	Frazer
Gilmour	Grey (Beaver River)
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
Hayes	Hermanson
Hoeppner	Jennings
Kerpan	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Penson	Ramsay
Riis	Schmidt
Scott (Skeena)	Silye
Solberg	Solomon
Strahl	Thompson
White (Fraser Valley West)	Williams—40

PAIRED—MEMBERS

Anawak	Assad
Asselin	Bellehumeur
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bouchard	Bélisle
Chrétien (Frontenac)	Collenette
Crête	Dalphond–Guiral
Debien	Dhaliwal
Gaffney	Godin
Gray (Windsor West)	Grose
Guay	Jackson
Landry	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	MacDonald
McGuire	Minna
Ménard	Payne
Picard (Drummond)	Richardson
Rocheleau	Scott (Fredericton—York—Sunbury)
Tobin	Verran
Wells	Whelan
Young	de Savoye

● (1130)

The Speaker: I declare the motion carried.

* * *

CANADIAN WHEAT BOARD ACT

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.) moved that Bill C–92, an act to amend the Canadian Wheat Board Act, be read the second time and referred to a committee.

He said: Mr. Speaker, before I get into the substance of my remarks today I should advise the House that in a few minutes I have to attend a meeting of the cabinet and I regret that I will not be able to remain for the entire debate this morning. I extend my apologies particularly to the official spokespersons for the opposition parties. They may rest assured I will from the record in *Hansard* read very carefully what they have to say about this important legislation.

As I open debate on Bill C–92, certain amendments to the Canadian Wheat Board Act, I begin with a sincere request to all hon. members to help facilitate in the House the timely passage

of various pieces of agricultural legislation now before Parliament.

In addition to Bill C–92 I think of the amendments to the Farm Improvement and Marketing Co–operatives Loans Act, FIMCLA, which will double to $3 billion the volume of agricultural loans from the private sector financial institutions which can qualify for government guarantees, thus enhancing the availability of loan capital for farmers across the country.

By the end of July we will have bumped up against the existing $1.5 billion ceiling for FIMCLA loans across the country. To avoid a hiatus in this very useful program Parliament needs to enact the proposed amendments to raise the ceiling before we adjourn for the summer and I certainly trust that can be done.

I think of the amendments to our dairy legislation which will provide the legal framework to allow the Canadian dairy industry to implement certain price pooling techniques beginning this fall.

• (1135)

This initiative is essential to enable our dairy industry to position itself to comply with new international trade rules coming into effect this year under the new GATT. Again, time is very much of the essence. Parliamentary approval before the summer recess is vitally important.

With respect to both the FIMCLA amendments and the dairy amendments there is virtually unanimous support among all the various stakeholders in our agriculture and agri–food sector and there is obviously clear urgency.

I ask all hon. members and also our colleagues in the other place to ensure these amendments are fully completed before we rise for the summer break.

The same arguments apply to Bill C–92. These amendments to the Canadian Wheat Board Act are urgent. They need to be in place before August 1, 1995, the beginning of the new crop year in western Canada. They enjoy broad support among the majority of farm organizations.

In effect we are moving ahead with these amendments at this time in direct response to the requests of those western farm organizations. I trust my parliamentary colleagues will co–operate in facilitating timely passage.

Bill C–92 deals with the long standing system by which freight costs are pooled among prairie farmers under the Canadian Wheat Board marking system. Under this system western Canadian grain producers share common costs of shipping their wheat and barley from Canadian export ports to market destinations around the world.

The ports traditionally used as the points of departure for our overseas sales have been Vancouver and Thunder Bay because the world market value of grain in store at each of these two locations, one going east and the other going west, have been effectively the same.

Over the past decade or so changes in international marketing patterns have altered that historic equilibrium between Vancouver and Thunder Bay. In relative terms the effective world market value of grain in store at Thunder Bay has declined while the comparable value at Vancouver has increased.

To restore the balance in export values between grain moving west and grain moving east the eastern point of departure needs to be located in the lower St. Lawrence region, not at Thunder Bay. This change carries several different implications for prairie farmers in the returns they will receive on their wheat board sales.

Overall it will increase the amount all wheat and barley producers receive because the wheat board's total freight costs will be reduced. This will happen because the board's pooled costs will no longer include the seaway charges. The board's costs will be calculated from the lower St. Lawrence instead of Thunder Bay. The net result will be a general price improvement across the prairies of between $5 and $7 a tonne.

At the same time it needs to be noted that for producers in Manitoba and eastern Saskatchewan who ship their grain east, their domestic shipping costs to get their grain into final export position will increase because they will absorb their own costs to the lower St. Lawrence and not just to Thunder Bay.

Going in the other direction producers in Alberta and western Saskatchewan who ship their grain west will no longer cross subsidize a portion of the domestic freight bill for more easterly located producers. They will pay only their own costs going to the west coast.

For many years farmers in the western part of the prairies have complained that the use of Thunder Bay as the wheat board's eastern point of departure for export sales was both unrealistic and unfair in that it added costs to those western producers and they were bearing those costs unfairly.

Farmers in the eastern part of the prairies have acknowledge this anomaly in the freight pooling system but they have worried, understandably so, about the higher domestic costs they would face if the eastern point of departure were shifted from Thunder Bay to the lower St. Lawrence.

Many discussions on how to fix the problem fairly have been held over the years dating back at least to 1985.

• (1140)

In our February 1995 federal budget we served notice that the time had come to implement a solution. We proposed to provide a final period of time for final consultations with all of the stakeholders with the necessary changes to be made as of August 1, 1996.

Since the budget over the past three months intensive discussions with prairie farm organizations, the grain companies and co–operatives, the wheat board and provincial governments have led to a strong consensus that this issue can and should be resolved more quickly.

The industry has told me we should begin implementing the change in the freight pooling system on August 1 of this year, not next year, with the full impact to be phased in over three years.

As we said at the time of our February budget, a portion of the federal government's multiyear, $300 million transportation adjustment fund will be utilized to ease the impact of the freight cost pooling change on those most affected, namely farmers in Manitoba and in the eastern part of Saskatchewan.

For the 1995–96 crop year, since this change is being announced at a relatively late date and farmers have already made their production decisions for 1995, the available federal assistance will be designed as compensation to offset a very significant portion of the affected farmers' increased costs in the eastern prairies. For two additional years the federal assistance may be more flexible and more in the nature of adaptation encouragement in the affected area. This was the consensus of the western grains industry.

I have undertaken to try before the end of June to be very precise about the portion of the $300 million fund which will be available over the next three years to help address the impact of the pooling change.

While we are still working on all of the necessary calculations, I have informed the western grains industry I would estimate the available funding for this purpose to be in the order of some $100 million in total spread over a three year period. Depending on how we are able to apportion that very substantial sum year by year this level of transitional funding has a high level of industry support.

While the proposed freight pooling changes are now scheduled subject to parliamentary approval to begin to come into effect on August 1, 1995, the same date on which railway subsidies under the Western Grain Transportation Act will come to an end, it should be clear the cost changes which result from the pooling issue are separate and apart from the WGTA changes; the two should not be confused.

The WGTA subsidy is being eliminated for four very strong reasons: to comply with new world trading rules, to increase grain transportation efficiencies, to end freight rate discrimination against greater diversification and value added economic growth, and because the WGTA subsidy in excess of $560 million each year is no longer sustainable in the face of a $500 billion government debt.

By contrast, the freight pooling system has never involved a government subsidy. It has constituted instead a hidden form of cross subsidization among different groups of farmers, with those in Alberta and western Saskatchewan absorbing some freight costs on behalf of those in Manitoba and in the eastern part of Saskatchewan. Bill C–92 will end this anomaly. The cross subsidization will be phased out and significant transitional funding will ease the impact on those most affected.

Like the other agricultural bills I mentioned at the beginning of my remarks, Bill C–92 enjoys good support among the stakeholders in our agricultural sector. It is very time sensitive and must be enacted before Parliament adjourns later this month.

I invite all hon. members to ensure its passage in a prompt and timely manner.

• (1145)

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, you will agree it is quite an honour for the official opposition critic for agriculture and agri–food to speak to a bill introduced by the Minister of Agriculture himself.

The purpose of Bill C–92 is to amend the Canadian Wheat Board—often referred to as the CWB—Act. It proposes to change the way transportation costs are shared by Prairie wheat and barley producers. As a result, prices paid by the CWB to farmers will more closely reflect actual transportation costs.

Currently, the calculation is based on the distance between the farm and so–called pooling points. In other words, from the farm to the port of delivery. The two pooling points are now Vancouver and Thunder Bay. The cost of shipping grain through the St. Lawrence Seaway from Thunder Bay is paid by the Wheat Board. This means the cost is shared by all Prairie producers, irrespective of the port they happen to use or their geographical location.

Of course the port of Thunder Bay does not have the facilities to handle large ocean–going vessels. Wheat and barley will be loaded onto ships that can negotiate the locks and the Great Lakes, and the wheat will be transhipped in one of the ports on the St. Lawrence. The bill does not say which ports. It just says "in the lower St. Lawrence region". The lower St. Lawrence is pretty big. The hon. member for Beauséjour will appreciate that these ports could include Sept–Îles, Baie–Comeau, Trois–Rivières, Quebec City, and Montreal. And there are other ports along the St. Lawrence.

For instance, it could be Baie–Comeau. The grain will then be transferred to huge ships with up to three times the capacity of those coming from Thunder Bay.

The cost of shipping grain through the St. Lawrence Seaway from Thunder Bay is paid, as I said earlier, by the Canadian Wheat Board. This means the costs are shared by all Prairie producers. Producers from the western Prairies who send their grain west to the port of Vancouver are paying part of the cost for farmers from the eastern Prairies whose grain is shipped through the St. Lawrence Seaway. In other words, western Prairie farmers are subsidizing eastern Prairie farmers.

Bill C–92 will shift the pooling point from Thunder Bay to the St. Lawrence Seaway. You will remember, Madam Speaker, if you were listening carefully, but I will repeat, nevertheless, that it is not spelled out which ports along the St. Lawrence Seaway will be part of this new pooling point, but I am told it might be Sept–Îles, Baie–Comeau, Trois–Rivières, or Quebec City, and possibly other ports along the St. Lawrence.

In this way, eastern Prairie farmers who send their grain through the St. Lawrence Seaway will pay the real cost instead of being subsidized by western Prairie producers. This change will have an impact on the price Prairie farmers will get for their grain.

• (1150)

The amount the CWB pays all wheat and barley producers in general will increase. It will increase because the CWB will no longer pay the cost of transportation from Thunder Bay to the St. Lawrence Seaway, since transportation costs are combined and deducted proportionately from market revenues distributed among all producers. This will affect prices.

In the future, they will be calculated from St. Lawrence ports, rather than from Thunder Bay. Producers in Manitoba and eastern Saskatchewan shipping their grain east will pay increased domestic shipping costs, because they will now have to assume the real costs of shipping via ports on the lower St. Lawrence and not just via the port of Thunder Bay.

However, producers in western Saskatchewan and Alberta will no longer have to subsidize a part of the domestic transportation costs of producers living further east. Farmers in the western prairies have been saying for years that the Canadian Wheat Board's choice of Thunder Bay as the point of departure for exports to the east was unrealistic and meant additional and unfair costs for them. I agree with them. Farmers in the eastern prairies have always been aware of this anomaly, but are, understandably, somewhat anxious about the way it is being changed, because it will certainly lower their returns.

This change could take effect this August 1—in two months and three weeks, approximately—if Bill C–92, which we are discussing this morning, is adopted. The bill would indeed affect the returns of producers in various regions. A producer in the eastern prairies living in Brandon, Manitoba, for example, will have a $5.81 a tonne decrease in returns. He was previously dealing with the port of Thunder Bay, but will now have to use a port on the Lower St. Lawrence, which will decrease his returns by $5.81 a tonne.

When there is talk of a decrease of $5.81 per tonne, you must admit, Madam Speaker, that things are getting lean. Producers'net returns are being pared to the bone. The initial freight deduction would increase from $20.34 per tonne to $31.14 per tonne. However, due to a $4.99—almost $5—per tonne higher return from the CWB because of the elimination of the pooled shipping costs, the net effect would be a $5.81 per tonne decrease in returns. If you subtract $20.34 from $31.14, you get $10 and some loose change, minus the $4.99 per tonne producers will not have to pay, hence a decrease in returns of $5.81 per tonne, as I said before.

Obviously, when you look at it on a per tonne basis, it does not amount to much, but for a big grain producer, it adds up to a very substantial amount. The first example was located in the eastern portion of western Canada, in Manitoba. However, if we go further west, and take the example of a producer located near Calgary, Alberta, his return would not decrease but increase by $4.99, let us say $5 per tonne.

• (1155)

And yet, in Calgary, the initial freight deduction would remain the same at $22.19, because freight is still deducted to Vancouver only. However, with the increase in the CWB pool return because of the elimination of the pooled shipping costs from Thunder Bay, since all producers were contributing an additional amount, the net effect for producers in the Calgary area would be a $4.99 per tonne increase in returns.

I realize that all this talk about increasing and decreasing returns might be very technical for my colleagues in the House. But the many western grain producers who are listening to us this afternoon understand perfectly well what I am talking about. They know what it means to gain or lose $5 a ton; it is not an inconsequential amount. If they sell a ton of wheat for $135, a difference of $5 represents an additional income, or a loss, of 3.5 to 4 per cent, and a difference of 3.5 or 4 per cent is very important. Unions are fighting these days for new collective agreements with a 2 or 3 per cent wage increase, and they often have to go through several months of strike to get that.

Since we of the Bloc Quebecois came to Ottawa, 18 months ago already, our position on the transport subsidies has always been very clear. We strongly support deregulating. A system which conceals true prices with subsidies given left and right only brings the type of results we see today, that is a major distortion of markets. And that is exactly what we experienced.

The rail system, as it now operates, is proof enough of that. The criteria used to determine if a railway line should stay open are not the same in the west and in the east. In Western Canada, surprisingly enough, and I want to point this out to my Quebec colleagues in particular, a railway line is supposed to operate in the best interests of the public; in the east however, and especially in Quebec, it must be cost effective.

Let me mention the case of the Quebec Central Railway line which goes from Sherbrooke, through Lévis, to Vallée–Jonction and then from Vallée–Jonction to Lac–Frontière and St–Georges de Beauce, a total distance of 382 kilometres. Quebec Central always neglected its clients and gave poor service on that line; so it lost its clients one after the other. In my opinion, this was planned, to prove to the National Transportation Agency that the Chaudière–Vallée line was not viable. Finally, last year at about this time, Quebec Central, through its parent company Canadian Pacific, requested and obtained permission from the National Transportation Agency to abandon this line.

Of course, politicians, economic stakeholders and the regional county municipalities protested against this abandonment because, once more, we in this great and beautiful country of ours were up against distortions and double standards.

A secondary line similar to the one I mentioned which goes through Thetford and East Broughton, in my riding, would not have been abandoned in the west even if it had not been viable, because it would have been in the public interest. There is a double standard.

• (1200)

The result is that some railway lines, in Quebec especially, which served small and medium size municipalities were abandoned to offset the financial losses of other secondary lines in the west. Needless to say, we will be supporting Bill C–92, because we are in favour of people paying the real cost of transportation, and because we want to put an end to the market distortions that we presently have.

This morning I was at a sitting of the Standing Committee on Agriculture where we heard witnesses representing dairy farmers. I knew that a litre of milk cost about $1.06 but this morning I learned that there was a threshold price of 98 cents, below which the retailer cannot sell his milk, and a ceiling of $1.09, above which the same retailer cannot sell. Most consumers believe that the dairy producers get about 70 cents or 75 cents on this amount of $1.09.

Could you tell me, madam Speaker, what portion of the $1.05 or $1.09 that you probably paid for your litre of milk yesterday goes directly to the producer? This is not a trick question, Madam Speaker. You do not have the slightest idea, and this is not surprising. If I were to ask the same question to the vast majority of my hon. colleagues in the House, most of them would not be able to tell me what portion goes directly to the dairy producers.

Personally, I thought that the producer was getting 50 cents, but it is not even that much. This morning, we were told that the producer was getting 56 cents. You might say that it is more than 50 cents, but on that amount, the producer must pay the transportation costs from his farm to the dairy, or 18 cents. So, if you deduct 18 cents from the 56 cents, you end up with 38 cents.

So the producer gets 38 cents for each litre of milk he produces. Did you know that big dairies have to pay some fees to the retailer to be able to place their product on the display racks? You did not know that. It is very costly.

So a producer gets 38 cents per litre and the dairy will pay up to 20.5 cents to the store owner. The farm producer must feed, milk, and tend the cows, and keep them in a clean environment, which is costly and brings him only 38 cents per litre, whereas the retailer gets 20.5 cents per litre. This is totally unfair. Unfortunately, the vast majority of consumers are not aware of these facts.

• (1205)

I see my colleague from Charlesbourg, who is a veterinarian, and who treated several dairy herds in his practice. He was probably not aware of the fact that dairies have to give 20.5 cents to be able to sell their milk.

I would also like to point out that, in Canada, almost 80 per cent of the markets are shared between four main distributors, four main grocery chains. So they can decide, for example, whether they want to have the products of a particular dairy in their store or not.

In the end, who foots the bill? The consumers. Every year, I see dairy producers asking for an increase. I suppose that in August, the Canadian Dairy Commission will be hearing from the dairy producers that they want to get an increase. They will explain, in great detail, the effects of the 30 per cent cut in subsidies, which will come into effect in a few weeks or a few months, as well as the increase in production costs. I can assure you that the increase will be much more than only a few cents and a small fraction. The increase will have to be justified, when in fact there is no need to justify it to anyone.

I want to get back to Bill C–92. Furthermore, the amendment made to the bill does not involve taxpayers' pockets in any way. In fact, what it involves is a change in the system that affects only the grain growers. So, it is only a matter of setting transportation costs more fairly to reflect reality.

Though we can easily see that this amendment is more suited to the wishes of producers in the western part of the prairies than of those further to the east, we would be severely judged if we interfered in the internal business of grain producers.

However I have doubts about some clauses. By lowering returns of eastern prairie producers, Bill C–92 could well cause a reduction in quantities of grain shipped through the St. Lawrence Seaway. It would be very useful to know the extent of this possible reduction in order to be able to prevent the loss of too many jobs in the ports of the St. Lawrence Seaway.

I would appreciate very much if somebody on the other side, and I am thinking in particular of my colleague and friend for Beauséjour, could respond to this legitimate concern of stakeholders.

The other curious aspect of this bill is that it allows for the use of the grain transportation adjustment fund which, worth $300 million. Around $100 million could be allocated to ensure a smooth transition. At the outset, a $300 million fund over a five–year period was put aside for western grain producers. But in the next three years $100 million will be spread between Thunder Bay and the ports of the St. Lawrence Seaway and there is talk of spending some $40 million for the 1995–96 crop year starting at the end of summer.

This fund was meant to help producers adjust to the new situation, not to maintain the illusion, I repeat, the illusion that freight subsidies are still in place. Fortunately the agriculture minister said a few words about that earlier.

• (1210)

You know, in Quebec, we thought that this government was much more generous towards western grain producers than towards farmers in the east.

Western farm owners or tenants will receive $1.6 billion in direct subsidies. Considering that, in the west, 35 per cent of farms are leased, will this money be given to the owner or the tenant? No decision has been made yet. This $1.6 billion equals $18 an acre, and it is tax–free. Quite a gift.

If you find a $100 bill in the street, you put it in your pocket and do not declare it on your tax return. This is about the same thing. It is a gift, a present from the Liberal government.

Personally, I think it is too much, but grain producers think it is not enough. Liberals saw that in the Manitoba elections. They were almost sure to win, but only managed to get a few of their candidates elected. A real slap in the face. I have more fingers than I need on this hand to count the Manitoba Liberal members. My colleague for Chicoutimi reminds me that there are three of them.

According to opinion polls, the Liberal Party of Canada seems to be very healthy. We could try to find reasons for that. But once in the booth, it seems that Canadians often change their mind. We will see tonight, at 8 o'clock, if the policies and openness of this government really reflect reality when we know the results of the Ontario election.

A few weeks ago, in Ontario, Ms. Lyn McLeod was on cloud nine survey after survey; some of them gave more than 55 per cent of the votes to her Liberal Party. I remember that many of my colleagues in this House were bragging during statements by members. They were saying that Ontarians are intelligent, nice, that they know what they are doing, so they will vote for Lyn McLeod and the Liberal Party in Ontario.

Today, Ontario Liberals have changed their tune. Now, they say that Ontarians are being exploited, that they are naive and do not get the message. That is funny, they are not nice Ontarians any more. Six weeks ago, they were beautiful, nice, smart and today, they are not as much.

There are 99 federal ridings in Ontario. Only one is represented by one of my Reform colleagues, 98 out of 99 are Liberal. Does that really reflect reality? I do not think so. I had the opportunity on several occasions to go to Toronto in the last months. I was able to see that the Liberal Party was not enjoying the fine reputation that some here seemed to be bragging about.

• (1215)

I am inviting the hon. member for Beauséjour to my apartment tonight to watch the election results on the French information network in a friendly atmosphere.

To complete my remarks on Bill C–92, the $100 million to be allocated for adjustment purposes should be available only over the next three years. Farmers should not become dependent on this fund—it should not become a kind of antibiotic—since we might as well go back to the WGTA we have lived with for 98 years, which everyone wanted to revoke but did not dare do so for fear of creating uncertainty.

In three years, this $100 million will be gone, but it would be a shame if producers were left high and dry. This approach may simply delay the problem for three years. Why is this fund not used to really help people adapt or take early retirement?

We in the Bloc Quebecois will support Bill C–92, to compensate a little for market distortion, but this does not mean in any way that Bill C–92 does not have flaws that could perhaps be corrected.

Since I still have a few minutes left, allow me to get back to the problem facing most farmers in Quebec, Ontario and the maritimes. I referred earlier to the amounts the federal government is going to give western grain producers. There is a tax–free $1.6 billion, the $300 million adjustment fund to be spent over five years, and another $1 billion to promote agricultural exports.

The Minister of Agriculture is being very honest. He said earlier that the main purpose of reducing, of revoking the WGTA

is to diversify western agriculture and create value–added industries. Nothing could be better than creating value–added industries for our agricultural products. This is not a Canadian invention. All the countries in the world want added value, not for Canada but for themselves.

The proof is that Japan does not buy canola oil; it buys canola and makes its own oil, fats and margarine. That is quite normal. The Japanese are not crazy. I understand perfectly what they are doing. They come here and buy our wheat, but do their own milling and make their own flour. They do not buy wheat flour in bags. They do the value adding in their own country. They do not come here and buy loaves of bread just to please us. They buy wheat from us and bake their own bread at home.

We will have to play our cards right and, more importantly, be innovative in creating new products and carefully protecting the manufacturing processes, so that no one can come and copy them. So, every one is in favour of value adding, but the concern Quebecers and Ontarians in particular have is that federal subsidies could be used to diversify western agriculture, which would then compete with us on our own markets. I discussed this matter with two colleagues from the Reform Party; one is from Western Canada and the other from Ontario.

• (1220)

Of course, that is more or less what they are up to, but as long as I sit in this house, rest assured, Madam Speaker, that I will look after the interests of the people of Quebec, particularly those of the riding of Frontenac whom I represent. At the risk of ruffling the feathers of our western colleagues, I will say out loud what we, Quebecers, know how to use our brains.

I should point out that there is a new phenomenon at work in this House, and I hope that the people of Quebec will not repeat the mistake they made in 1970, 1972, 1976 and 1978, when they elected to this place 74 Liberal members—you are right, Madam Speaker, to whisper the figure to me—out of a maximum of 75, the exception being my pal Roch LaSalle, who had to run a one–man opposition from Quebec in this place.

We have seen what good it did Quebec to be represented by so many good Liberals, who were supposed to stand up for us. Just think of the War Measures Act. My hon. colleague will no doubt remember that, while there were only a handful of FLQ members, 498 people were arrested without any warrant, and detained for weeks. Tactics used in Russia and others totalitarian states were applied in Canada in the days of the good old Liberal Prime Minister, Pierre Elliott Trudeau.

Léopold Corriveau, the member who represented my riding at the time, voted for the War Measures Act, a bludgeon law only fit for totalitarian states. Yet, any time a totalitarian state implements such measures, the Canadian government, the world leader of democratic governments, is the first to protest and make representations against them.

Last week, in the region where I live, young people from my village were collecting money to buy postage stamps to send letters to Latin–American countries, on behalf of Amnesty International, asking that prisoners of conscience, not to say political prisoners, be released.

I still admire Pauline Julien, but I admired her even more when I was a teenager, for her wonderful songs. Her husband, the late lamented Gérald Godin, was jailed under the War Measures Act. That very feeling man told himself: "In the next election, I will run against the man who contributed to having me unfairly imprisoned, and I will win". That man was one of your friends, Robert Bourassa, in 1976. He was soundly defeated in a French–speaking riding of Montreal's east end by Gérald Godin, who had been illegally jailed under the War Measures Act. That legislation had been supported by 74 Liberal members, with only one opposing it. This is a real shame.

Quebecers' motto is "Je me souviens", I remember. We do remember, but we are very ashamed.

I am pleased to participate in the debate on this bill, but it makes me relive all these episodes, and all the injustices done to Quebec in the past.

• (1225)

I do hope that the day is soon coming when Quebecers will have a country of their own, collect their own taxes, draft their own legislation, and manage their own affairs as they see fit, and I also hope that there will be nothing untoward that we would live to regret for the rest of our lives. Liberal members opposite will have to live with the War Measures Act of 1970 for the rest of theirs.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I am here today to debate Bill C–92, which is a bill to amend the Canadian Wheat Board Act. I find I have today less energy and less enthusiasm for debate and participation in the House than I should have and would normally have.

We witnessed in the House less than an hour ago an action that makes me sad and angry at the same time. What we have seen is the Liberal government, a government that campaigned on a more open and honest type of government, a government that campaigned on improving the democratic system in the House, invoke closure on three bills that are very important to Canadians and that Canadians want to be debated fully in the House.

One of these bills is Bill C–41, the bill that will allow the courts to impose greater sentences on those convicted of crimes motivated by hate. Hate can be based on many—

Mr. McKinnon: Madam Speaker, on a point of order, I would like to question the relevancy of what the member is speaking on in connection with Bill C–92.

The Acting Speaker (Mrs. Maheu): I request the member for Vegreville relate his remarks to the bill before the House.

Mr. Benoit: Madam Speaker, as members will see as I go along, one of the aspects I deal with in regard to this legislation is the lack of democracy in the Canadian Wheat Board. That is related to this bill. I make these comments and they will be tied in to my presentation later.

I can understand the member's not wanting me to bring up the issue of closure. He should be ashamed. It is important that I do, and it will strengthen my argument later when I talk about the lack of democracy in the Canadian Wheat Board.

Three bills now have had closure invoked by the Liberal government. They are bills that are very important to Canadians and they should have full debate in the House.

This follows on the heels of the corruption we have seen in the government on the part of the heritage minister, which has not been dealt with by the Prime Minister, who would have called for the resignation of the heritage minister had he been willing to deal with this issue the way he should. It really makes it difficult for me to gather any kind of enthusiasm to debate any bill, including this bill, Bill C–92, having to follow that kind of performance on the part of this government.

I will discuss Bill C–92 today under three basic categories. First I will talk about what the bill is, what is in the bill and what should be in the bill. Second, I will talk about the impact on grain farmers and on the grain industry of this legislation if it is passed as it has been presented. Third, I will talk about how this bill fails to deal with the broader changes that are needed in the Canadian Wheat Board, including the democratic changes I alluded to.

• (1230)

The bill is another attempt to tinker with a system that needs major change. I am talking about the Canadian Wheat Board, an organization which I think Reformers support. I believe there is widespread support in the Reform Party for the Canadian Wheat Board and our policy demonstrates this. There is also widespread support for reform of the Canadian Wheat Board particularly to make it more responsive to farmers who after all pay for the full cost of operating the board and whom the board exists to serve.

The bill is a move in the right direction and will provide a move toward a more market driven and more transparent system, at least in this one very narrow area of freight pooling. However, this bill is tinkering with the system when we should have broad legislation which would completely change the Canadian Wheat Board as it exists today.

The tinkering is because of other changes that have been implemented in the transportation system with the trade agreements in the grain handling system. I believe even these changes are not wanted by the minister and certainly not by the Canadian Wheat Board, but they are needed to keep up with the times.

Bill C–92 if passed will make changes to the Canadian Wheat Board Act which will allow changes to the Canadian Wheat Board's freight pooling system. Farmers from eastern Saskatchewan and all of Manitoba will pay higher freight costs, while farmers from western Saskatchewan and Alberta and the Peace River block of British Columbia which is in the Canadian Wheat Board area will pay lower freight costs. This change in freight costs will reflect more accurately the actual cost of moving the grain from these locations. In this regard the bill does provide a move in the right direction.

I have many concerns about the bill. It includes very little in terms of detail. The bill will allow for the changes which will make the freight costs that farmers are paying much closer to what the market would indicate they should be but there is very little in the bill that will ensure these changes will take place. There is nothing in the bill that says it must happen. There are only changes that will allow it to happen. This is of great concern to me. Any changes that are made will be made by order in council, by the minister and cabinet.

While there is some background information on the numbers and the specifics of the changes, there is very little detail of this in the legislation. We will push for amendments that will add some certainty to the legislation as to just what kinds of dollar changes will be made in the freight costs for farmers across western Canada with regard to wheat board grain.

The bill only applies to board grains which are wheat and barley for export. It does not apply to all the other grains and special crops that farmers produce.

• (1235)

I will go over in a bit more detail what is included in Bill C–92. The stated purpose of the bill is to amend the Canadian Wheat Board Act to change pooling points on which initial payments are based from Thunder Bay and Vancouver to points in Canada designated by the governor in council and to establish

a deduction from the initial payments that reflect the relative transportation cost advantage of each producer.

Through the bill, which will be effective August 1 if it is passed by the House before the session ends, the federal government will change how eastward grain transportation costs are paid. That means eastern prairie farmers who ship through the St. Lawrence seaway will have to pay the full cost of movement, or at least close to the full cost, within three years.

In the past, all prairie farmers have shared the costs of shipping Canadian Wheat Board grain through pooling. The extra cost of shipping Canadian Wheat Board grain through the seaway system, which is on average $22 a tonne, has been pooled. Not only are the farmers who are shipping their grain through Thunder Bay and on down the St. Lawrence paying the extra costs, but all farmers within the wheat board designated area who ship grain to the board are sharing the costs through the pool.

That means all farmers, in particular the farmers from western Saskatchewan and Alberta, have been receiving less for their wheat and barley than they should have been. Farmers from eastern Saskatchewan and Manitoba have been receiving more than they should have been. This has been done by pooling the freight costs so that all farmers take an equal deduction from their price for the cost of freight. I have many concerns about this being done and I will discuss some of them later.

Originally the government planned to change the eastern pooling points next year. However, at least according to the minister, several Manitoba farm groups have called on him to make the change effective at the start of this crop year which begins on August 1.

The minister claimed that the farm groups which have been encouraging him to make the change have said they need the change in order to bring more certainty to the system. In other words, they say they want to know what will happen and they want to know now. They want to know how much more it is going to cost them. That is coming from the farmers in Manitoba who are going to pay more. That is the way the minister of agriculture explained the need for making the change this crop year on August 1 rather than next year.

It is commendable that the minister would want to allow this kind of certainty to at least creep into the Canadian Wheat Board freight pooling system. It is unfortunate that the same kind of certainty will not be in place when the changes are made to the WGTA, in terms of moving grain by the rail system. That uncertainty will be there until 1999, the year before the maximum freight rates may be lifted. The decision will not be made until the year before the rates can be lifted and that leaves a lot of uncertainty in place. I encourage the minister to be as concerned about the uncertainty caused by that change which was implemented by the budget as he is about the change to the pooling of freight through the Canadian Wheat Board.

Consistency is needed. We need the minister to make some decisions which will add certainty to the agriculture industry. I commend him for doing it in this one narrow area.

• (1240)

In terms of transitional assistance, a fund which came about as a result of this budget, $300 million was put in place for a transition fund. It is meant to be used to help different sectors of agriculture deal with the change in the freight rate.

Nothing in the bill states this but through discussions the department has said that about $100 million of this $300 million in transition funds will be paid to farmers in Manitoba and eastern Saskatchewan over a three year period to help them deal with the added freight costs they will find themselves covering out of their own pockets. This is reasonable because it is an additional burden put on the Manitoba farmers even above the burden of paying full costs which, as a result of this budget, have been put in place for all western farmers.

All western farmers will be paying the full freight costs as of August 1. With this change, Manitoba farmers will be paying an additional cost of approximately $6 a tonne. It would be extremely difficult for the farmers to deal with this starting on August 1 of this year. The transition money being paid to these farmers is reasonable. I know some of my colleagues will talk about a concern they have about there being enough money left in this fund to help alfalfa and timothy shippers deal with the radical changes they face in their industry.

I have talked about what is in this legislation. Now I will talk about what is not in this legislation as it applies to the government achieving the goals it has laid out through this legislation.

As long as there is a Canadian Wheat Board where there is a price pooling system in place, it will be necessary to have a pooling schedule for freight. It is necessary for that system to work.

There are very few specifics in this bill regarding the exact nature of the new freight pooling system. For instance, there us very little information about the decision on the actual catchment areas, which will be smaller areas of pooling within these catchment areas, and what they might look like. There have been some proposals put forth but there is no certainty in these. We do not know for sure what the catchment areas will look like.

If the government decides to put in place the national grains bureau recommendation for catchment areas, then there will be four catchment areas for wheat: the west coast, the east coast, Churchill and the U.S. There will still be freight pooling within these areas. Why are we not moving toward a system that fully

reflects the marketplace and the cost to farmers? Why are we just tinkering and going part way? However, it is definitely a move in the right direction.

If the government goes with the national grains bureau proposal on malting barley there would be two catchment areas, the west coast and the United States. Again, it is a move in the right direction even though it does not go far enough.

It is appropriate at this time to explain clearly what this freight pooling does and how it relates to the price pooling which operates under the Canadian Wheat Board. The freight pooling as I explained before causes all farmers who sell grain through the Canadian Wheat Board to pay an equal amount of the freight bill, even if after looking at the market signals they should be paying less, or perhaps more.

This has lowered the price in the price pool which gives all farmers an equal price for their wheat. It has lowered the price by the same amount no matter what the freight costs are. Clearly to have this price pooling system work there must be some kind of a freight pooling system in place. Otherwise it would be extremely difficult though not impossible for the wheat board to calculate the payments which go to all farmers.

• (1245)

To explain a bit more about the pooling system I will give a brief summary from a background document which, while not part of the legislation, is said by the department to be what the legislation is based on. It is a summary of two proposals put forward by the National Grains Bureau and the Canadian Wheat Board.

The first proposal comes from the National Grains Bureau. Under its proposal all producers would be deducted a decreasing freight amount moving east or west of the west coast catchment area.

The proposal was widely discussed in the payment producer panel report. The payment producer panel was established by the Conservative government and was continued by the Liberal government. Unfortunately its proposals really were not considered when the changes were made to the Western Grain Transportation Act which is what this panel was discussing.

The National Grains Bureau proposal was later modified to include shipments through Churchill and directly to the U.S. market. The relative proximity of a producer to these markets would determine the basis for the deduction. That is the National Grains Bureau proposal.

The second is the CWB '85 proposal, as it is called. This proposal recognizes the general equivalence of west coast and St. Lawrence ports in terms of sales returns. It recommended that the eastern pooling point be changed from Thunder Bay to the St. Lawrence. That is what will happen if the legislation is passed as the department says it will.

However this proposal will not work under the current circumstances because of the higher demand for grain from customers in the Japan and Saudi Arabian markets. The proposal will not work until a balance can once again be achieved between the east coast and the west coast shipments.

The Canadian Wheat Board proposes to devise a system of pooling based primarily on the National Grains Bureau model. The Canadian Wheat Board is hoping that because of the increased transportation costs inherent in the National Grains Bureau proposal, producers will compare returns from pool accounts for wheat, durum, feed barley, malt barley and non–Canadian Wheat Board crops and eventually diversify, based on anticipated future rates of return.

The Canadian Wheat Board wants to move toward the CWB'85 proposal as constraints on the west coast catchment area are reduced. It believes in the long term this will be a viable option.

In a nutshell those are the two proposals which were outlined in the background paper given to the committee and to MPs who were interested in Bill C–92.

I will now comment on how the Liberals are trying to rig the entire system in order to keep the Canadian Wheat Board as a monopoly seller even though it is really no longer practical or viable.

The bill seeks to make a new pooling system with the same type of structure, except using smaller catchment areas, so there is an advantage, but using the same type of system. Instead of making major changes to the whole wheat board system and to the freight costs to farmers, the government has chosen to try to modify the old system. Too often this is the type of thinking that creeps into a bureaucracy. It is certainly here in this bill. It is unfortunate because it really does fulfil all of the changes that are needed.

One of my concerns about this legislation is that we really do not know the details. The background paper is there, but it is not part of the legislation.

That summarizes what is in the bill and what is missing at least as it relates to what the stated purpose of this bill is. I would now like to discuss the impact of this legislation on farmers and on the grain industry if it goes forward as it is proposed.

• (1250)

This change reflects at least partially the actual cost to farmers of shipping from different points on the prairies, again limited because they are still pooling within each of the four catchment areas.

At least it moves in the right direction. I will demonstrate using some numbers from the background paper for wheat and for barley. First for wheat. Wheat being shipped from Winnipeg, Portage la Prairie, Brandon under this new proposal will cost

farmers about $5.80 more per tonne than it does under the present system.

On the other hand, farmers from Medicine Hat, Lethbridge, Calgary would pay about $5 a tonne less than they do under the present system. Therefore it will cost about $6 more for farmers in western Saskatchewan and Manitoba, depending on which catchment area they are in, and farmers in southern Alberta will receive $5 more for their grain. The amount in other areas depends on which catchment area farmers are in.

The change for feed barley is even more dramatic. Feed barley is a lower priced commodity. Under this proposal, farmers in the Winnipeg, Portage la Prairie, Brandon area will pay anywhere from $16 to $18.50 a tonne more to ship their grain than they have in the past, whereas farmers from Medicine Hat, Lethbridge and Calgary will pay $7 to $8 per tonne less than they do under the present system.

The change will cause the freight cost paid by farmers to reflect more closely the actual cost of moving the grain. Therefore this is a move in the right direction.

The third area I will discuss is what this bill fails to do in reforming the Canadian Wheat Board. I certainly cannot talk about everything it fails to do but I want to talk about the points that are most relevant to this bill.

I begin by reading an open letter to grain farmers that I sent to papers across western Canada. This letter was picked up by most of the weekly papers across western Canada and some of the larger papers.

I want to read the letter. It certainly ties in with the importance of making the wheat board more democratic:

> Over the past year, the Canadian Wheat Board has been greatly debated by both farmers and national media. The publicity and discussion surrounding this issue has resulted in a polarization of public opinion. Farmers who support changing the Canadian Wheat Board are immediately branded as board destroyers. Farmers who do not support changes to the Canadian Wheat Board also find themselves under attack by those who strongly favour change.
>
> During meetings with farmers and farm groups, I have been promoting a mechanism for building a bridge across the gap that separates those who favour changes to the board and those who are opposed. It is a mechanism which all farmers could support. I believe the first real step toward meaningful change to the Canadian Wheat Board is through a farmer elected board of directors which would replace the current system of government appointed commissioners and an advisory board that has no real power.
>
> Farmers should be given the authority, which is rightfully theirs because they pay the bills, to decide what type of wheat board they want. An elected board of directors would replace the current system of government appointed commissioners and shift control away from the federal government to farmers.
>
> Within 6 to 18 months of electing a board of directors, farmers should be given a chance to democratically examine their organizational and jurisdictional options. This will allow grain farmers to carefully consider and vote on a variety of market opportunities.
>
> These options could include introducing greater domestic and international market competition, allowing the purchase of wheat and barley on either a cash basis or a pool basis and allowing the board to operate as a seller from export terminal positions only, which would take the board completely out of the car allocation and grain handling process. These and other issues would be decided directly by farmers through referendum.
>
> An elected board of directors would submit their proposals for initial crop payments to Parliament as the commissioners do now. Elected representatives would then vote to determine if these payments were reasonable. The purpose behind the measure is to provide a government check on the otherwise independent board by having Parliament approve initial payments and loan guarantees because taxpayers' dollars are involved.
>
> Farmers themselves will have their own ideas regarding the Canadian Wheat Board and how to make it work better for farmers. All of these proposals must be considered.
>
> Several people have asked what my personal position is regarding possible changes to the board. I support the concept of opening the board up to competition. However, it is not up to me or the federal government to decide on the future of the Canadian Wheat Board. This decision must be made solely by western Canadian grain farmers.
>
> The Canadian Wheat Board will be a subject of continued discussion until the democratic rights of Canadian grain farmers are restored and they are given a real choice in how their organization will run in the future.
>
> An elected board of directors is the only real option for the federal government. After all, who can argue with democracy?

• (1255)

It has become apparent from what we have seen in the House today that the government can argue with democracy. We do not have a functioning democracy in Parliament and we must get a functioning democracy in the House. The Liberals must uphold their promise in that regard.

They must also make the changes necessary to allow farmers to democratically control the future of the Canadian Wheat Board and to decide what the wheat board should be. Why should government make these decisions? Why should the farmers marketing board be answerable to the minister and be directed by the minister rather than by farmers? It makes no sense.

This issue has been a very emotional one for several reasons. Farmers who remember when the Canadian Wheat Board came into place know that it served a very useful function.

At the time the Canadian Wheat Board was established there was a lack of competition in the grain buying business in Canada. Farmers never had a properly functioning marketplace. There was no competition at a lot of delivery points. Farmers were at the mercy of the grain buyers because the information system in place today was not there. Today's transportation system was not in place and farmers were largely hauling grain

by wagon. It would be too difficult to take a load of grain home again after they had delivered it to the elevator. Therefore, they really were at the mercy of the grain buyers.

When the wheat board came into being it served a very useful purpose. It still does but it is a different purpose now.

The people who remember what the wheat board gave them when it came into place in 1935 tend to forget the changes that have been made since. They also forget the reality of the marketplace we live in now, with good information sources and relatively good transportation to get the grain from the farm to the elevators.

People also forget that when the wheat board was developed in 1935 it was a voluntary board. Farmers had a choice. They could choose to deliver to the Canadian Wheat Board and share in the pool price or they could choose to ship to a buyer to any market and completely bypass the board. That is the way it was when the Canadian Wheat Board was established.

• (1300)

In 1943 under the War Measures Act the wheat board was given a monopoly. Why was it given a monopoly? I found it very interesting to read the newspaper articles and to read the discussion in the House that surrounded this change in 1943 that gave the wheat board its monopoly. This change was made by order in council; it never passed through Parliament.

The change was made to the Canadian Wheat Board to make it a monopoly so that the war effort in Canada and in Europe would be helped. Grain prices at the time were increasing rapidly and the government was finding it too expensive to ship grain to Europe to help with the war effort and to feed the troops in Canada. The choices it had were to borrow more money to pay more for the grain or to make the wheat board a monopoly buyer in the Canadian market. Through order in council it chose to make the wheat board a monopoly buyer in the Canadian market, which it has remained until today, even though the circumstances are much different today.

When people discuss the Canadian Wheat Board there is a lot of talk about the monopoly selling aspect of the board. The wheat board does not have a monopoly on sales. It sells into a market with a lot of competition. Grain companies from around the world compete on the sell side. There is no selling monopoly. The only monopoly the Canadian Wheat Board has is on the buy side. Farmers have been forced to sell grain through the board since that order in council passed in 1943 for any grain, any wheat or barley being sold for export and for wheat being used for domestic purposes in Canada.

This has been an emotional issue for some time. A second reason this has been an emotional issue is that people are generally afraid of change. I will give a few quotes from a paper given by Dr. Larry Martin to the B.C. egg producers in March. I sincerely hope the quotes I use allow the content of his paper to be brought forward. It is a commendable paper. He is talking about change in agriculture generally, not just this change that is being proposed to the Canadian Wheat Board. Dr. Martin says the biggest obstacle to Canadian agriculture competing over the next decade is farmers themselves. The change in thinking that is needed is that the agriculture industry in place today nowhere nearly reflects the agriculture industry that will be in place 10 years down the road.

Here are some of the quotes I thought were particularly good: "Look forward 20 years", Martin challenged, "and you won't recognize the Canadian agri–food industry. We are lucky to be living during the most exciting period for the industry. This is why we have to think seriously about how that change can be managed, because we have only that one chance to get it right". This is from the Canada *Poultry Man* magazine.

The other quote compares the American system in the supply managed industries, with very large operators, to the Canadian system, which has smaller operators. He says the smaller operators can still compete very well: "Small operations allow for industry flexibility, whereas larger U.S. companies may be low cost but can't switch quickly and have to market using the 'here it is, buy it cheap and eat it' philosophy". This philosophy applies as well to the grains industry. Farmers need the ability, even though they are small operations, either directly or through the grain companies to sell to whomever they want, without the regulations and the unnecessary interference from government.

• (1305)

At second reading Reform will be supporting Bill C–92. However, we will be looking for amendments. We will be looking for changes and we will be proposing amendments in committee or in the House at the appropriate time.

Mr. Glen McKinnon (Brandon—Souris, Lib.): Madam Speaker, it is a pleasure for me to rise to speak in support of Bill C–92, which is a bill to amend the Canadian Wheat Board Act. The bill will result in a fairer method of allocating freight costs among prairie producers of wheat and barley sold through the Canadian Wheat Board.

The change in freight cost pooling has been requested by the western grains industry and by those farmers who make their living doing what they do best, growing wheat and barley on the Canadian prairies. This change, once approved, will allow the

returns received by farmers from the Canadian Wheat Board to more accurately reflect actual market conditions and costs.

My hon. friends may be asking themselves just what wheat board pooling is, how it works and why it is being changed. At this juncture some background explanation may be instructive.

Currently producers within the Canadian Wheat Board who deliver grains to the board have deducted from their initial payment the freight costs incurred in moving their product to export position. That has traditionally been either Thunder Bay or Vancouver, whichever happens to result in the lower freight rate. For example, under the current pooling system producers in my home area, which is Brandon, who live closer to Thunder Bay, would have an estimated $20.34 a tonne in freight charges deducted from their initial payments as of August 1, 1995. A similar grain producer in the Calgary area would naturally be closer to the port of Vancouver and would have a freight deduction estimated at about $22.19. Grain being shipped to Thunder Bay faces an additional cost of about $20 a tonne to move from Thunder Bay east through the St. Lawrence seaway to final export position.

The additional costs are currently shared equally by all producers through the Canadian Wheat Board's pool accounts. For wheat, around $7 per tonne is paid by all producers out of the pool account to cover the additional expense.

The current pooling system means that income from the western part of the prairies is being transferred to the eastern part of the prairies. Even if the grain producer ships all their wheat to Vancouver, they are paying through the pool accounts to have eastern prairie grain transported from Thunder Bay farther down the St. Lawrence to ports that handle more export business.

Farmers in the western prairies are subsidizing part of those shipping costs for farmers in the eastern prairies. Clearly, the situation calls for change. A need for change has long been recognized by many throughout the industry. As some of the previous commentators on the bill have indicated, many producers have been afraid of embarking on a route that would enable such changes to occur. The driving force behind the change has come from industry and farm groups themselves. Parliament is merely carrying out the strongly conveyed wishes of those who work in and earn their living from the western grains industry. In addition, the four western provincial governments also support the necessary changes.

At this juncture some may be asking themselves why the government is carrying out its comprehensive reform to Canada's grain transportation system. More specifically, why is the grain freight cost pooling system being changed now?

There are at least four reasons why it makes sense to take action to reform the grain transport system. First, the new GATT agreement contains a number of rules against trade distorting export subsidies, including the WGTA, which all parties have recognized has been a distorting mechanism. If we do not make fundamental changes to our grain transport system, Canada could see itself being shut out of vital export markets.

• (1310)

Second, it is in our interest to develop a grain transport system that is more efficient, faster, and less expensive to operate. The savings that will come from such a system must be shared fairly and equally among all the participants, most especially by the farmers.

Third, Canada's prairie economy has been stifled for decades by a freight rate structure that promotes exporting of primary products and actively discourages diversification and value added processing. Until we end that discrimination, the west will be prevented from achieving its full potential.

Finally, this government and the people of Canada can no longer afford the luxury of annual rail subsidies of more than half a billion dollars, not when the government is facing a debt load of more than $500 billion and interest charges amounting to $120 million each and every day of the year.

For years now farmers in the western regions of the prairies have complained that maintaining Thunder Bay as the eastern pooling point was just not realistic and that it unfairly added to the cost borne by the producers in the western part of the prairies. For their part, the farmers in the eastern parts of the prairies have acknowledged this anomaly but have voiced concern about higher freight costs they would face if the eastern pooling point were changed from Thunder Bay to the lower St. Lawrence.

It is my belief that this bill strikes a careful balance between the interests of western and eastern prairie producers. It is a product of a long debate, going back as far as 1985, and more recent intensive analysis and close consultation involving the prairie farm organizations, industry, the provinces, and the grain cooperatives. This consultation has resulted in the proposed changes we are debating here today.

The grain farmers of western Canada have spoken. They have told us with a strong and united voice that there is a problem with the current grain pooling system, that the problem needs to be addressed, and that it must be addressed now.

We must act now. The freight pooling system has never involved a subsidy. It has involved a form of cross–subsidization of one group of farmers subsidizing those in another. These same producers are now telling us that they want this current arrangement brought to an end. The people have spoken. Change will be happening.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I ask the hon. member, who I think is from rural Manitoba, if grain farmers in his constituency support this change, which will add a cost to their shipping of grain of between $5 and $17 a tonne, depending on the grain and which catchment area they fall within.

Although I did not hear it in the member's speech, I would like to comment on his support for invoking closure on C–68 as well.

Mr. McKinnon: Madam Speaker, I have no comment to make on any closure at any time on any bill. However, I was most pleasantly surprised by his first question asking my opinion, because he is the recognized economist in the grains business in Alberta. I appreciate the point he is raising.

There has been a strong recognition that Brandon, Manitoba, is one of the highest cost shipping points throughout the grain transportation industry. In order to allow the current farmers to maintain their position as farmers, they are recognizing that some transitions are going to have to be made over a period of time. There will be some shifts, some changes, some partnerships that will have to be struck.

• (1315)

My region probably leads western Canada already in diversification thrusts in terms of crop production. If members look into some of the data they will find Brandon—Souris is a strong agricultural area. I am hopeful it will continue to be so in the future.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I am sure the hon. member is concerned about the welfare of farmers in his constituency. He said they will have to make some adjustments. They will be paying substantially more freight costs than they are now. That means a lower net price for grain relative to other grain farmers in western Canada, which really puts into place some of the market mechanisms, the natural comparative advantage that should be there.

One of the possible ways farmers in his area could deal with this extra cost is by shipping south into the United States. Unfortunately right now the Canadian Wheat Board restricts movement into the United States. Farmers in his area even more than now will be pushing this minister to allow competition with the wheat board into the United States or to allow farmers to sell directly to markets in the United States.

Does the member believe farmers in his area will be lobbying in every way they can to get these changes made to the wheat board so they can make up for some of the losses they have incurred, from the loss of the WGTA and the extra costs through Bill C–92?

Mr. McKinnon: Madam Speaker, I thank my colleague for the question.

My comment is a little historical and futuristic in perspective. The closer one lives to the U.S. border the greater the desire to access that market by producers. As one moves further north from the border there is less and less thrust by the producers to access the market because of the geographical distance produce has to be hauled and depending on what product they are trying to ship.

I concur that new processes and regulations need to be examined. Realistically there is a market. American industries using Canadian grain still want our product for let us say the protein content in our product and not available in their own.

I agree with my colleague that it needs to be examined. It also needs to be accessed by Canadian producers in the long term.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I was rather anxious to speak on this subject today when my colleague from Vegreville asked me if I would be willing to address a bill on the Wheat Board. I certainly am willing. It gives me an opportunity to express the views of what I hear when I am in my riding talking to the farmers on which these bills have such a direct effect.

It must be funny to some people in the gallery who come to listen to what we call a debate and they see all the empty chairs. They sometimes must wonder if we are debating with the security guards.

The Acting Speaker (Mrs. Bakopanos): I do not think the hon. member should make mention of the absence of members in the House.

• (1320)

Mr. Thompson: I guess I am not used to hearing myself so much in here; there is an echo.

It is neat to come into a debate on this subject. I hope some day we truly can get into some good honest hard debates about issues rather than some of the examples of what I am seeing this morning where we are bringing in closure on certain things. I like to have debates like we are attempting to do with this bill.

The ideas the agricultural minister is bringing forward in this bill certainly have merit. They are things we have been looking for in the Reform Party. They are things some farmers have been looking for but they are only little tinkerings, a start.

I am sure we will not have any difficulty in supporting this but I draw to the attention of members of the House that we need to really get into a serious debate about these issues regarding the Wheat Board, especially when we go across the country.

I am talking about not just my riding, but Vegreville and other ridings in other provinces. When we hear people saying scrap the wheat board, farmers are saying this and others are on the other extreme, that is why it deserves such a good debate. It is time viewpoints were brought forward and discussed so that we can come up with some ideas which will genuinely answer the causes of all the farmers across the country.

I echo once again what I had hoped to see in a bill when it came down regarding the wheat board. It would be more than just the pooling points and the minor change regarding the shipping calculations.

I would like to see some changes indicating the House was interested in having an elected, democratic board in the wheat board. It would be elected by farmers who then would have more input into what happens at the wheat board level. The board should be more relevant to the problems facing producers, changes the producers so much need that they would be able to seek help in getting those changes. The wheat board should be a producer oriented operation rather than another patronage appointment haven for the friends of the Liberal Party.

Upsetting farmers is that their input is so small. Then we see bills brought before the House, not too long ago something to do with access of information, which would require the wheat board and other organizations of that nature to open the books for examination, to see how they are operating and what they are doing. We would get a little more information that people who are paying the bill are entitled to.

Unfortunately it seems we are getting further away from that instead of being more accountable to the people who pay the bills, in this case the farmers who support all the funding for our wheat board.

It is only sensible that we should pick up a bill and hopefully see some positive changes that would give farmers more input, more say and certainly some knowledge about where their money is spent. No, when we suggested that, when we put it in the form of a motion, it was soundly defeated by our colleagues across the way.

It makes me sometimes wonder what is so secretive that they cannot open the books of a government body to the people paying the bills. I have a hard time understanding that.

An hon. member: Ask the auditor general.

Mr. Thompson: I hear members across the way hollering about the auditor general. I am surprised they even know who he is. They never pay attention to what he says. We can name lots of things there, but I will not get on that topic.

• (1325)

I get a little concerned when I hear my colleague talking about things that have happened in the wheat board regarding changes from orders in council. Once again there are a selected few, usually the ones on the front row here, who decide for all of Canadian farmers what is best for them.

It does not matter if it is best for them but if they think it is best for them, that is what counts. We have a history of 30 or 40 years of this happening; we know what is best for the people, we will make the decisions and you just never mind. That is the attitude people are beginning to think we have.

The ability to have an open debate and throw things out on the floor the farmers would like us to do regarding the wheat board only makes sense. The trouble is we spend a lot of time and many of these things could be resolved. I hope a lot of these things are talked about in the agriculture standing committee. I know from serving on the justice committee there are hours talking with witnesses.

I assume the same thing happens in the agriculture committee where its members get the feelings of people, giving them an opportunity to reflect those feelings in the form of a bill and bring it before the House for a good debate; unless they decide there is no reason to debate and they should put closure on it, shut it down to six hours or in the case of pensions four hours and forget the whole thing. They may feel the information fed to them by 60 or 70 witnesses is not important enough to bring in here, after all they are only the taxpayers.

It is the attitude that bothers me and I think it needs to change. We have been asking, hoping and watching for that possibility but instead we get more of the same, an example of which we saw this morning.

Regarding changing the shipping point calculations, when Wild Rose business tells us it cannot ship its product, there are some things we need to talk about with regard to bills. Compressed timothy producers tell me they cannot get containers to ship their product. Why is the government not addressing shipping problems to help Canada's balance of trade? Why is it not assisting a cash crop market instead of maintaining a narrow view of one issue?

It is willing to help grain producers adjust to the new reality of shipping costs when the Crow is repealed. Farmers who have practised sound crop rotation principles and at the same time have developed a new cash crop market for Canadian produce are being abandoned. Compressed timothy and forage crop producers are far more sensitive to shipping costs than grain producers but the government has punished them for growing a crop that is not marketed through the wheat board. Then it wonders why some farmers get upset at the way the board operates.

Not too long ago this body of people declared an open barley market, the continental barley market. Suddenly there were many farmers doing a good job of moving their produce, getting good prices. They were quite pleased they had an opportunity as producers to market their goods without having to go through a

monopoly. That was quickly shut down. We sometimes wonder why.

Maybe it was because they were so successful, maybe they were proving they had the ability to do these things without the assistance of some great government appointed body. Maybe it was not the bureaucrats who had the ability to so these things; maybe the farmers could do this. At least they proved it for a while but the Liberal government cannot let that go on. So it was shut down. It simply tells people out there that if they grow certain crops they will go through this body by way of the arm's length setup of the wheat board to sell produce. That is the way it has to be done.

• (1330)

Some farmers agree with it and I give them credit for it. However a pile of them say that the wheat board should be scrapped. We need to talk to all of them and start asking exactly what we can do to make the situation a lot better than it is.

The bill is another example of half measures by government trying to convince Canadian farm producers that it is doing something when I am not so sure it might be making things worse. The Liberal government seems intent on abandoning farmers who have already adjusted to the global marketplace. I am talking particularly about forage and timothy hay growers who are doing very well.

It is certainly strange when we meet with farmers in our communities. We tell cattlemen in a joking way what is coming down the tube, that we are setting up a cattle marketing board. Talk about shock and fear, the whole idea another system of that nature would interfere with their ability to access free markets such as they have now really frightens them.

Why did the government arbitrarily decide that 1994 would be the cutoff year for support when producers were adjusting to the new global trading reality and when they went into forage and timothy to enhance their individual viability in the world trading market? Does the government have a problem with farmer initiative? Is it because the government wants to keep the Canadian Wheat Board as a closed shop, a patronage haven? It also wants to dictate to western producers what crops will be acceptable for them to grow. Exactly what is behind that?

Why cannot the government assist western producers? Showing this initiative would not only help them to maintain their farms. It would also help Canada's balance of trade and make Canada a stronger trading nation.

The European community and the United States realize that their treasuries cannot continue their farm subsidies and they will be cutting back. In the meantime, Canadian timothy and forage producers will face the full rate expenditure while European and American producers will have support.

We do not have any problem with this half hearted attempt at modifying the Canadian Wheat Board. The shipping cost adjustment is a step that recognizes the reality of modern times and the global marketplace. However, merely readjusting who pays for the cost of shipping through the St. Lawrence seaway does nothing to tackle the real and dangerous problems facing Canadian producers and the inadequacies of the wheat board. It is a minor thing when there are so many major things we need to look at.

Changing cost pooling so that western Saskatchewan and Alberta producers will no longer share the cost of shipping eastern Saskatchewan and Manitoba grain from Thunder Bay through the St. Lawrence seaway is acceptable. Why not continue and address the real issue of the needed fundamental changes to the wheat board?

Members will say all the farmers want it. They must have a short memory. It was not too long ago that there were two rallies going on in Regina at the same time: one pro and one con, the one the agriculture minister would not attend.

Why is the government so afraid to face the reality of the nineties and beyond? Why is its policies still stuck in the sixties? Why did the government not use the bill to give producers an opportunity to elect the board of directors? What is wrong with an elected board of directors? Is that too democratic? Is that the problem?

It could be. I base that on things I have seen, such as what happened this morning. Why was the government so fearful of allowing those who know the business to run it? Why does it not allow producers who know the business the best to be in charge? Why does the government always feel it has to get involved in everything? Why does it feel that it will not be done right if it is not done from this place?

• (1335)

The whole thing will change. People will insist that it change rather quickly. If the government believes that will not be the case then it has a very short memory.

I wonder if it would stop to think for a moment, when it looks at operations such as the wheat board and others, why the Reform Party is here. It should stop to analyse why the Reform Party needs to exist if for the last 30 years so–called Liberals and so–called Conservatives had done their jobs. We would not need to be here. Why did all western provinces, particularly rural farmers, decide enough was enough and to send Reformers who had presented to them an idea that made a lot more sense than the status quo?

Once again we have a government bill that pretends to address issues of concern for western producers but in reality is an attempt to hide the failures. This half measure deals with an important issue but it is only a half measure.

When will the government finally face reality and deal with the real problems that exist with the wheat board and the board's inability to accept that producers know what is best, not appointed bureaucrats? The producers, believe it or not, know what is best. Why do we not give them an opportunity to express what they know?

I doubt very seriously whether the bureaucrats making the decisions have half the real experience or knowledge facing most western producers, particularly those in the riding of Wild Rose.

I support Bill C–92. It is a little step in the right direction to which we are getting accustomed. With all their bills we are getting a little tinker here and a little tinker there. The Liberals think they will be the next government, which I doubt seriously. However we will support the bill.

I ask the government and the agriculture minister to go beyond Tinker Bell stuff. There are serious problems out there. For a change the government should try listening to the people instead of dictating to them what will take place.

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, the hon. member has been talking about matters such as the federal government abandoning farmers. In his second breath he talked about the federal involvement being too great in the farm community, that we should get out of wheat boards and let farmers decide everything on their own in those matters instead of the representatives of farmers who have been sent to the House.

The Reform talks about abandonment and how the Liberals and Conservatives have not done their jobs and that is why the Reform are here now.

I have a question for the hon. member. Last year we had a rail strike and farmers were suffering greatly because they could not get their products to market. The whole Canadian economy was losing $200 million per day.

Could the hon. member indicate to us why only six representatives of his party showed up in the House to vote?

Mr. Thompson: Madam Speaker, we had a private member's bill that would have prevented all that. It was soundly defeated by our Liberal friends across the way. My hon. colleague from Lethbridge brought forward a bill that would have taken care of the problem, and Liberals know that very well.

In terms of the strike they have a short memory. I do not think he was here to see that the first person to rise in the House seeking an emergency debate regarding the strike was the member standing right now. I stood in the Chamber and demanded an emergency debate on the strike and the Liberals did not want it. To them it was a big joke that a Reformer rose to his feet and dared to ask for an emergency debate on the strike in Vancouver.

• (1340)

The next morning our wonderful new labour minister came up with the good idea to have an emergency debate on the strike in Vancouver. Wham, overnight a miracle happened. The Liberals discovered they had an answer for a problem. They had a chance to do it 48 hours before that but they do not want to listen to anybody but themselves. One day they will pay for that.

The Acting Speaker (Mrs. Maheu): I remind hon. members that we do not refer to the absence or the presence of any member of the Chamber.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I find it interesting that a Liberal member would have the nerve to suggest Reformers never did their part in ending the strike. Our legislation would have prevented it from ever happening and should have been passed. It was legislation that would allow the collective bargaining process to go ahead. It is good legislation that has to be put in place somewhere along the way.

Does the member believe farmers in his constituency would support an elected board of directors replacing the present commissioners appointed by the minister to the wheat board?

Mr. Thompson: Madam Speaker, I thank the member for the question. Recently I included a questionnaire in a householder that asked farmers to respond to what they wanted to do with the wheat board. Fifty–four per cent came back saying that the wheat board should be scrapped. Another high percentage said to change it drastically to a democratic process. A few others wanted to keep the status quo.

We need to take a look at the whole situation. If only we did not have a government that says it can do it behind closed doors, that it does not need good, open, solid debate about what should be done with some of these bodies, and that it knows best. We remember good old Trudeauism when the metric system was brought in. The government gave us the metric system and said we did not know what was good for us. There were a few more items like it. The Conservatives said gave us the GST and said we did not know what was good for us.

Canadians know what is best for them and will start expressing it.

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Madam Speaker, obviously a discussion has arisen in debate in the House about some problems we have seen with regard to labour tie–ups, strikes and backups that have occurred in Canada over the past many years.

I can speak quite simply and quite plainly as a farmer. I have been involved in the farm business for some 15 to 18 years in Saskatchewan. I know firsthand the problems when there is a

labour disruption. The innocent third party always gets hurt. In this case it is the farmers, the shippers or the dehy plant people.

My colleague from Wild Rose hit the nail on the head when he said that we had a plan to prevent labour disruptions. The government across the way saw fit in its wisdom, if I may call it that, not to support the legislation.

Mr. Thompson: You use the term loosely.

Mr. Kerpan: I use the term loosely. That is absolutely right.

My colleague from Saskatoon—Dundurn has indicated on numerous occasions that Reformers were not in the House on that particular Sunday to vote. Whether or not that is the truth is irrelevant. Less than a week before that, we had put before this House private members' legislation that would have prevented this. There would have been no need for anyone to be here on that Sunday. It is ludicrous. It is a ridiculous argument and I am ashamed that someone would bring that up before this House.

• (1345)

I want to get to the business before the House today, Bill C–92, an act to amend the Canadian Wheat Board Act. It aims to change the pooling system of the Canadian Wheat Board in order to respond to new market conditions.

Rapidly changing market conditions is the greatest factor affecting the agricultural sector today. There is no question about that. The reality is we live in a modern knowledge based, technologically equipped and economically linked world. This presents many new opportunities for farmers and agri–businesses. It presents opportunities for policy makers and legislators. It presents opportunities for grain companies, farm groups and transportation companies as well. Coupled with the rapidly changing new world of markets, there are two other factors.

The agriculture industry is unique in that we produce a basic and unchanging product for which there will always be a demand, that is food. With a growing world population that is expected to reach 10 billion people by the year 2050, the demand for our products will expand tremendously. This commodity of food that we produce is essential to the life and health of all of us. Our daily bread is the most basic need we have. We have a product for which there will always be a market.

The agriculture industry therefore is a primary resource industry in full transition attempting to keep up with an expanding market and hoping to take full advantage of the opportunities that it presents. We have a good product and we have a market. We must adjust to and take full advantage of these new opportunities. We must be prepared to do this quickly. We must learn to anticipate what the future holds for us and seek to prepare ourselves for it.

All of the stakeholders, the farmers, the processors, the transporters, the marketers, the policy makers, must work in a co–operative way to ensure that we make the transition from the old realities to the new realities in as an effective and efficient way as is humanly possible.

I am pleased this bill is before us today. It is essentially tabled as a response to an expanding and changing market. We will no doubt get into the details of this bill but basically the bill is in response to the fact that our grain products are moving to new markets. When this happens, we need to change our system and our policies in order to respond to those new markets.

More specifically, this bill responds to the fact that in recent times our grain has become more in demand in the Pacific rim countries; more is therefore having to be transported across the Pacific instead of the Atlantic. This change in international market patterns has a direct effect upon our internal shipping ports and our internal transportation system.

Historically western Canadian grain producers have shared some of the costs of shipping grain to our ports. We call this a pooling system. It was established as a simple attempt to distribute the benefits and the costs of our grain industry as equally as possible among all the producers. I want to comment on this principle of benefit and cost sharing in a moment but first, let me speak briefly about the changes in our current pooling system that the new world of markets is causing.

The ports western grain farmers have traditionally used for overseas shipments are Vancouver and Thunder Bay. This is because the world market value of grain in store at these two locations, one going east and the other going west, was effectively the very same. The market demand on the other side of both oceans was about equal, but with larger markets emerging on the other side of the Pacific Ocean, the world market value of grain in Vancouver has increased beyond that which is in Thunder Bay.

To adjust to this new market reality and to keep our grain pooling system intact and fair, it is necessary to move the eastern point of departure from Thunder Bay to ports further east, those along the lower St. Lawrence River. In practical terms, this means that the farmers in Manitoba and eastern Saskatchewan who ship their grain east to an export position at Thunder Bay will now have to absorb the cost of getting their grain to the further eastern ports along the lower St. Lawrence.

• (1350)

For years now farmers in the western prairies have seen the use of Thunder Bay as the Canadian Wheat Board's eastern point

of departure for export sales as adding unfairly to their share of the cost of pooling. Farmers in the eastern part of the prairies have recognized this. In other words, it has been apparent that there was some anomaly and some unfairness in the pooling system.

Eastern prairie farmers under Bill C–92 will now have to pay the higher costs of the movement of their grain to the further eastern ports. They have asked for transition assistance to offset these higher costs. The government announced that partial compensation will be provided to these farmers from the $300 million WGTA adjustment fund. It is meant to facilitate the transition to a deregulated system after August 1, 1995.

There are many specifics to be worked out regarding the changes in the pooling points proposed by the bill. My colleagues and I will be commenting on the specifics of those throughout committee debate, report stage and third reading debate.

How do we as farmers best respond to the changing marketplace? This has to be the basic question. Our markets are changing. Our systems that we set up to deal with old markets must be examined to see if they are adequate to take full advantage of the new markets. Are they helping or are they hindering farmers?

My colleagues and I maintain that when there are such dramatic and far reaching changes at the middle and end points of the industry process, we must go right back to the beginning of the process and examine the principles upon which we are building. This is the area of discussion that presents the most difficulty for large and old organizations such as government and government agencies. The Canadian Wheat Board definitely falls into that category.

Old governments, old parties, old agencies and institutions have difficulty with change. Large and old enterprises can become very inflexible. They take a long time to change, if they can ever change at all. Sometimes it is easier for an old institution to die rather than to change and to be reformed.

In the process of governing a country or managing a grain marketing process, that is why new parties and new institutions arise. If the older parties and institutions cannot change or are unwilling to change, if they are unwilling to re–examine themselves to see if they are doing things the best way, then they will be replaced by new enterprises and new ways of doing things. This has happened throughout the history of government in this country and in other institutions, as surely as day follows night and a new century follows an old one.

Reformers are saying that in order to meet the market challenges of a new world and a 21st century, we must talk about the underlying principles. There are two principles we believe should be the foundation for any changes that we make in our marketing and transportation systems.

Reformers believe that producer organizations, including marketing boards, commissions and co–operatives, should receive their direction from producers who should structure their organizations in any manner which they believe will best serve their interests. In consultation with producers, Reformers will seek to provide for a viable, self–reliant and market driven industry to create an environment in which producers make their own decisions as to how products are marketed.

Specifically this principle means there needs to be some changes to the Canadian Wheat Board. If we are to take full advantage of the new markets, if we are to adjust quickly to them, then we need to, we have to, it is imperative to allow for the democratization of the Canadian Wheat Board.

The present government appointment of Canadian Wheat Board commissioners must be changed to an elected board of directors chosen by producers in a fair and open election process. It is simply the only way we will move from these old dying institutions I talked about a few minutes ago to a new reformed system that is responsive to farmers, to transportation, to the markets and to the new way of doing things. At that point in time, grain producers will be asked to examine their organizational and jurisdictional options, including but not limited to introducing domestic market competition, permitting the Canadian Wheat Board to trade in grains and oilseeds currently excluded from its jurisdiction.

• (1355)

I can think of examples in my own riding. There is a small private flour mill. I was in to see the gentleman at Viscount about three months ago and asked him how his business was. He said it was terrible. He said he had to pay a buy back fee to the Canadian Wheat Board to buy wheat so he can make flour and sell it locally. He is not allowed to go to a neighbour or a friend to contract wheat on an individual basis. It is simply not allowed.

Mr. Penson: It is the same with organic grain.

Mr. Kerpan: It is the very same with organic grain.

I think about these examples and wonder where the common sense is in this organization. I see none. Those are the things that have to change if we are going to move into the next century.

Farmers must be allowed to decide on the purchase of wheat and other grains on either a cash basis or a pooled initial final price basis, implementing special opting out provisions for entrepreneurs interested in developing niche export markets. Again, I relate to what I said before about the small town flour mills and also extending fixed price and guaranteed delivery producer contracts.

The second principle on which we must build our new marketing system is transportation reform. Canadian agricultural products should move to market by any expeditious mode, on any route and in any form or state of processing based exclusive-

ly on the principle of cost effectiveness and with the best interests of the customer in mind.

As I mentioned at the outset of my remarks, there has been some debate in this Chamber today about labour problems, labour tie–ups and transportation problems of all types for agricultural products certainly from my province of Saskatchewan. I think back to alternate methods of transportation and routes. If there are the types of labour disputes and tie–ups we have seen over the past number of years and if it is feasible in a cost effective way, what is wrong with hauling our products somewhere else, perhaps through the United States?

We believe major reforms are still needed in the Canadian Wheat Board system of marketing our very most valuable product, food. Bill C–92 does not go anywhere near far enough. Comparative advantage must be the primary principle behind decisions about what farmers produce, how they market and how they transport.

I assure members we on this side of the House will keep working toward this end.

The Speaker: It being 2 p.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

ENVIRONMENT WEEK

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, the theme for Environment Week this year is the automobile's impact on air quality. Car emissions are a major cause of smog and climate change. Smog and air pollution not only threaten a healthy environment but also the health of all Canadians.

Maintaining vehicles in good working order will reduce the impact of emissions. Therefore, Environment Canada is holding emission clinics across the country. The national capital region clinic is on June 7, 8 and 9 at Carlingwood mall.

[*Translation*]

This week gives Canadians an opportunity to find better ways to keep their environment healthy for present and future generations. According to this year's theme, instead of driving we should opt for walking, cycling, car pooling, and using public transportation.

S. O. 31

SUMMIT ON PRIVATE FORESTS

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, Bloc members wish to draw the attention of the House to the excellent dialogue that took place during the summit on private forests chaired by Quebec's Minister of Natural Resources, François Gendron.

The conference provided an opportunity for exchange and consensus on future policy directions. Indeed, representatives showed an exemplary sense of responsibility.

They agreed on the way funds to be contributed by the Quebec government and other stakeholders would be distributed under Quebec's private forest development plan.

The parties also agreed that the federal government must compensate the Quebec workers who are hard hit by its withdrawal from the sector. Here again, through their dynamism and their solidarity, Quebecers in the various regions must make up for the failure of the federal government to honour its commitments.

* * *

[*English*]

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, information meetings at Tara, Ontario, on May 31 and at Shelburne on June 3 drew 2,740 Ontarians eager to learn more about Bill C–68.

Herculean efforts by the organizers failed to produce any speakers favouring gun control, so statements by the justice minister and other opponents of civil liberty were read to the crowd.

Anti–control speeches were so logical and convincing that formal, independently audited balloting yielded 2,716 votes against more bureaucracy, 19 in favour, and five spoiled ballots.

I have the ballots and will deliver them to the justice minister. I hope that he will at least acknowledge the dedicated efforts of the organizers.

The MPs for Bruce—Grey and Wellington—Grey—Dufferin—Simcoe did not bother to attend these major gatherings. If they like their present line of work, they should take note of the results when voting on Bill C–68. Closure will not stop the people from remembering.

Vive la democratie!

* * *

TRANSPORT

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, Transport Canada is now in the process of watering down the

regulations governing the number of flight attendants required on commercial flights. The plan is to go from the current Canadian ratio of one for every 40 passengers to the American ratio of one for every 50.

Even before bringing forward new regulations in the House, the government has acted unilaterally by using ministerial exemptions to reduce the number of attendants required on certain aircraft.

I ask the Minister of Transport to listen to the advice of Canadian flight attendants, who have been telling him that the weakening of regulations will have a serious impact on the safety of the travelling public. The American standards are based on tests that are highly artificial and underestimate the need to have safety personnel on board in real life accidents.

The only benefits of harmonizing our standards downward to the American standards will appear on the bottom line of the airline industry, whose costs will be cut at the expense of safety.

I hope the minister will let the airline attendants' reasoned advice penetrate his remarkable fetish for American style deregulation and reconsider the direction of this policy.

* * *

TRANSPORT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, this week is national transportation week and an excellent opportunity for me to remark on the importance of marine transportation in my riding.

The Strait of Canso is one of the largest deep water ports in eastern North America. It is ice free and allows year round access to Canadian and international markets. It is an important gateway for the shipping of many products. This natural asset has already proven its economic importance. Several successful businesses operate on its shores, serving the petroleum, forestry, gypsum, and energy sectors, to name only a few.

The Minister of Transport is currently developing a new marine strategy. I would urge him to keep in mind the importance of the Strait of Canso to our transportation network and the bright economic potential it holds for this region.

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[*Translation*]

OCEAN DAY

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, the objective of Ocean Day, which is today, is to raise the public's awareness of the danger in which the negligence of the world's governments has put the planet.

There is no direct link between the ocean and the people in a riding like mine, Gatineau—La Lièvre. However, oceans are necessary for our survival, for they produce more oxygen than rain forests and are the planet's biggest water supply. They provide us with an incredible quantity of protein and remedies for certain illnesses.

We can all help clean up our oceans. If we do not, we will be destroying our planet. On this day, it would be a good start for each of us to identify one habit that we could change in order to contribute to saving our oceans and Canada. Limiting fishing activities is a good start.

* * *

[*English*]

GORDON AND DIANE DAVIDSON

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I want to take this opportunity to acknowledge the efforts of two Winnipeg St. James constituents, Gordon Davidson and his wife Diane. They recently travelled as volunteer advisers to the Czech Republic to assist the Sternberk town council with a long term tourist development plan. Mr. Davidson worked with a community committee to draft a plan to crate tourist trade opportunities in the town and set up advertising and promotional programs.

• (1405)

The Davidsons were able to embark on this adventure and share their expertise as volunteer advisers with the Canadian Executive Search Organization, which provides advisers to business and organizations in Canada's aboriginal communities, developing nations, and emerging market economies in central and eastern Europe. CESO volunteers are skilled Canadian men and women who willingly share their lifetime of practical experience with those who need it.

Again I congratulate all CESO volunteers, and especially my constituents, Gordon and Diane Davidson, on a job well done.

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[*Translation*]

CRTC

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, today, the Minister of Industry revealed a new facet of federalism: courtroom federalism. According to him, the federal government is prepared to take legal action against the CRTC, an organization established by an act of Parliament.

By threatening to embark upon a legal battle with the CRTC, the government is only confirming that it will stop at nothing in its quest to justify the unjustifiable: its decision to give Power DirecTv the edge in satellite broadcasting.

The Minister of Industry says he is confident that he will be able to settle out of court with the CRTC. Just imagine the pressure that Mr. Spicer will be under to do so, especially because the Minister of Canadian Heritage, who is responsible for the CRTC, will not lift a finger to help him. This minister has shown in the past that he cannot stand up to anybody.

* * *

[*English*]

BILL C–41

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, today the government arrogantly invoked closure on Bill C–41, flaunting the wishes of thousands and thousands of grassroots Canadians.

Yesterday I and some of my colleagues tried in vain to present to the justice minister over 10,000 letters in opposition to the sentencing bill collected from our own offices in recent weeks. These letters are from mainstream and small town Canadians from across Canada. Their concern centres on the contents of section 718.2. Over 600 petitions have been tabled in the House, represented by over 70,000 signatures. In addition, reports from within the justice department indicate that the justice minister himself has received over 70,000 letters in opposition to this bill.

The minister is fond of trotting out polls and statistics, but in the case of C–41 he has simply ignored the clear expression of Canadians. Arrogance in governing can prove fatal. Even at this late date, I call on the justice minister to respond positively to the clear expression of Canadians.

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WYE MARSH WILDLIFE CENTRE

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, June 5 marked the 25th anniversary of the opening of the Wye Marsh Wildlife Centre in Midland, Ontario, in my riding of Simcoe North. The centre was opened by the Right Hon. Jean Chrétien, then Minister of Indian Affairs and Northern Development.

[*Translation*]

Over the 25 years it has existed, Wye Marsh has overcome many obstacles and has established itself as a world leader in the area of heightening awareness of the importance of ecology, wetlands and wildlife.

In 1984, when the government of the time cut its funding, the Friends of Wye Marsh took over the operation of the centre. This organization was able to rally an entire community and to encourage that community to sacrifice time and money for the purpose of conserving this national treasure.

[*English*]

In the past few years the Wye Marsh Wildlife Centre has been instrumental in the fight to implement a ban on lead shot and sinkers and more importantly to preserve the trumpeter swan.

Congratulations to the friends of Wye Marsh for continuing these important environmental programs. Canadians everywhere benefit from your conservation and education work. We wish you every success in the future.

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PARLIAMENTARY BASKETBALL

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, I am compelled to report, although some of my colleagues wanted to keep this matter quiet, that on Tuesday evening at the Boys and Girls Club of Ottawa the MPs and pages clashed in their annual basketball game.

The Dhaliwal Dunkers, a multi–party team, were looking to extend the MP winning streak against the lowly pages. However, the pages, fighting like warrior poets of old, jumped out to an early lead and never looked back. Despite a comeback effort led by the member for Souris—Moose Mountain and his seven points, the pages hung on for a 40 to 35 victory.

Congratulations to the pages, who not only displayed superior skills and solid grasp of the fundamentals of the game, but also adhered to the principle of gender equality, as half of the team was made up of female pages.

• (1410)

The pages have once again proven that age and experience are no match for youth and robust health.

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[*Translation*]

GUN CONTROL

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, since the Bloc Quebecois announced its latest change of heart on gun control, there has been a storm of protest and criticism in Quebec. Some more recent instances include what was said by the Centrale de l'enseignement du Québec, and I quote: "We wish to express our profound disagreement with the position of the Bloc on decriminalization. We hope that the Bloc's position will be adjusted to give serious consideration to the views of chiefs of police, police officers, the Canadian and Quebec Bar associations, public health experts, municipalities, the CEQ and the FCE".

The Bloc Quebecois, which has changed its mind before, should give its unqualified support to the passage of Bill C–68, as requested by the CEQ and other organizations in Quebec.

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MINISTER OF PUBLIC WORKS

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, as the Minister of Canadian Heritage continues his blunders and unethical behaviour on an impressive scale, another government minister has been doing some political maneuvering with taxpayers' money. It seems the Minister of Public Works redirected $26 million earmarked for repairs to a dangerous

highway to developing a nature trail in Cape Breton—East Richmond, his riding in Nova Scotia.

The Minister of Defence also chided him for arbitrarily cutting $10 million from the budget envelope to be used to help Maritime communities affected by the closing of military bases. The same Minister of Public Works also appointed his official agent as head of the Cape Breton Development Corporation in his riding and wants to redirect funds from the budget of the Atlantic Canada Opportunities Agency to the corporation.

* * *

[*English*]

FEDERAL OFFICE OF REGIONAL DEVELOPMENT

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, the Federal Office of Regional Development covers all bases. For example, taxpayers can enjoy a beer courtesy of their $46,000 grant to a beer manufacturer. After they quaff a couple of cool ones, they can go to the Quebec City horse show and watch 20,000 of their hard earned tax dollars spent on horse jumping. Before taxpayers take in the subsidized grand finale, I suggest they go back for more libations. They will need it before they travel to Jean's World, the ultimate in taxpayer abuse.

Yes, Canada's Prime Minister has a nice little theme park going up in his riding, with $3.5 million coming right from FORD–Q. The only problem is, experts say this little pork barrel gem will cost taxpayers millions annually. I could almost swear the members across the way are a bunch of Tory hacks in Liberal clothing.

To top it all off, Liberal and Bloc members join hands and invoke closure to ensure their gold plated pension plans. Shame, shame.

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PEACEKEEPING

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, on Saturday, June 10, at the Petawawa civic centre grounds, a very important ceremony called the "Celebration of Peace" will take place. A memorial will be dedicated to all UN peacekeepers who participated in United Nations duties during the last 50 years.

This memorial, which honours all Canadian and international peacekeepers, has been totally paid for by donations. The flag poles and the United Nations flags are already in place. The celebration of peace memorial is not only being dedicated to those who have served as peacekeepers but will also honour those who are now serving and who will serve in the future.

It is time that the more than 90,000 Canadians who served in peacekeeping roles around the world receive their recognition in Canadian history. It is time that all of us in this great country of ours say thank you to the men and women in the Canadian Forces who have served Canada so well over the years.

* * *

SAFE BOATING WEEK

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to mark safe boating week in Canada, which runs June 4 to 10.

The week marks the kick off to a summer long public awareness campaign designed to encourage responsible boating. Boating safety is an issue of particular concern to the constituents of my riding, especially now with the summer tourist season upon us. There have been far too many boating accidents and fatalities in our waterways in the past. These tragedies affect us all and we must do all we can to prevent them.

• (1415)

Last year the Minister of Justice assured my constituents that boating regulations would be enforced on our waterways this summer. Last week in the House the minister re–emphasized his commitment to the implementation of a system to improve the safety of boaters on our waters in Ontario.

I urge Canadians everywhere to enjoy their time on the lakes this summer and to make safe boating practices standard with their families.

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GOVERNMENT FUNDING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I want to address a concern being expressed by many Canadians regarding the Prime Minister's national priorities.

Until he invoked closure three times today the Prime Minister thought he enjoyed considerable popularity. Soon that will only be among canoe makers. After all, there has never been a Prime Minister in Canadian history who ever reached deep enough into the pork barrel to fund a canoe museum. This action occurs at the same time the Prime Minister cuts spending grants to the museum assistance program, the main support for the country's public museums and galleries.

We have a Prime Minister who yanks money from museums and galleries across the country and dumps that money into Shawinigan to build a canoe factory virtually guaranteed to draw nothing but dust and flies and perhaps the odd Liberal seeking employment as a canoe museum curator.

We wonder after today's election if it is the Prime Minister's intention to fund a museum for extinct Liberals in Ontario.

ORAL QUESTION PERIOD

[*Translation*]

MINISTER OF CANADIAN HERITAGE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, the Prime Minister continued to defend his Minister of Canadian Heritage and insisted the opposition provide new facts on the minister's $2,000 supper. The official opposition has learned that Richard Gervais is not only the Minister of Canadian Heritage's political organizer and fundraiser and the recipient of untendered contracts from him, but Mr. Gervais also lobbies for various associations and businesses.

It seems to me that my preamble speaks for itself. I therefore ask my question. Would the Minister of Canadian Heritage tell us whether he informed the Prime Minister that Mr. Gervais was not only his fundraiser and friend and the recipient of his contracts, but that he also lobbied the minister on behalf of a number of associations including the Canadian Tennis Association and Planetary Sports Television?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, as I have already had occasion to say in this House, if there is one well–known firm in Quebec, it is Gervais–Gagnon, which has worked for many governments. Its activities are very well known. It does not keep its clientele a secret. There is therefore absolutely nothing mysterious or secretive in this situation. Everybody knows the facts.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we understand the minister's familiarity with Gervais–Gagnon, because this is the firm that does his fundraising, does him favours and lobbies him.

Would the Minister of Canadian Heritage tell us whether he took the precaution—the question is a simple one—of informing the Prime Minister that this gentleman was not only his friend and his fundraiser, but that he was also a lobbyist representing associations such as the Canadian Tennis Association, which last year received $500,000 in funding from the Minister of Canadian Heritage?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, when a fundraising event is organized in compliance with the rules, the first to be involved are the party financial officials.

I have said in this House that we followed the rules and procedures. I certainly have done nothing that the party was not aware of.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in light of the fact that one of the functions of Mr. Gervais's firm is to organize meetings between the minister or senior officials of his department and the people it lobbies for, does the Minister of Canadian Heritage realize the situation he puts his senior officials in when they are questioned by a lobbyist who is a friend of the minister, his fundraiser and the recipient of untendered contracts from him? Does he realize that he thus makes it impossible for his officials to say no to anything?

• (1420)

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, never, to my knowledge, have any of the sports or cultural associations wishing to speak to me or to my officials used the services of Gervais–Gagnon. I can therefore say that the allegation by the hon. member has fallen flat—as a pancake.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is also for the Minister of Canadian Heritage.

Clearly, the Minister of Canadian Heritage has put himself in a totally unacceptable situation by becoming indebted to a lobbyist whose firm represents a number of groups dealing with his department.

In light of the new developments, can the Minister of Canadian Heritage tell us whether he discussed his case with the government's ethics counsellor?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, let us not forget that the Prime Minister himself rose in this House to say that he had raised the issue with his ethics counsellor. That is all I know. But, if there are other statements to be made, they will be made by those responsible.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): I have a supplementary question, Mr. Speaker.

Given the incredible situation in which the Minister of Canadian Heritage has unfortunately put himself and the delicate situation in which his carelessness has put his officials, does the Minister of Canadian Heritage not think that the best way to rehabilitate his department is, unfortunately for him, to resign immediately?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, when one obeys the rules, does what everyone in this House does, that is, attend fundraisers, and observes the rules established by Elections Canada, one does not harm one's department.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, first of all I thank the leaders of the Liberal–Bloc coalition for excluding question period from their deal to muzzle Parliament today. This is truly appreciated by members on this side of the House.

Yesterday the Prime Minister told the House that all the facts are known about the names and money contributed by guests at the heritage minister's last supper. Now we learn the amount of money raised will not be made public by Elections Canada until July. We learned the official tally could well exceed the $12,000 disclosed thus far and we learned that the identity of many of the guests and the exact number in attendance at the dinner remain a mystery.

How does the Deputy Prime Minister explain the contradiction between these facts and what the House was told yesterday?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member would be very happy to provide the complete list of the people who participated in the dinner. Last year the Reform Party, which took a public position before the royal commission on electoral financing that it did not support public donations and tax credits for political parties, saw no problem in accepting donations of $10,000 from Rogers Communication, $15,000 from John Labatt, $6,000 from Pulp and Timber LTD., $10,000 from Imperial Oil, and $4,000 from PanCanadian Petroleum.

• (1425)

I could go on but obviously the Reform Party sees absolutely no problem in fundraising when for itself. Obviously it should not see a problem for any political party that has an open and transparent process of fundraising, which is what we have done in this case.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, not only are there contradictions between what the Prime Minister told the House and the facts, but the Minister of Canadian Heritage cannot keep his story straight on this subject either.

The minister said most of the department contracts were doled out before his dinner for dollars. The fact is only two came before the dinner; the rest were awarded after the contractors coughed up $2,000 each. The minister also said his private dinner was a fundraiser for the Liberal Party of Canada when in fact the money went to pay off his campaign debts.

How does the heritage minister explain the contradiction between these facts and the things he has told the House?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I can appreciate the interest of our colleagues in knowing what is happening when I give a fundraising event or when I participate. Next time I will invite them so they will be there if they want to have more knowledge of it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister neglected to say what contract I might get if I attended the dinner.

We have here a real double standard. The chair of the justice committee sticks to his principles and his reward is to be removed from his position. Three Liberal MPs stick to the principle of representing their constituents' interests and their reward is to be removed from their positions.

The heritage minister on the other hand repeatedly violates the principles of ethical behaviour and he not only keeps his seat at the cabinet table, he is staunchly supported and defended by the Prime Minister. It appears the only principle the Prime Minister is prepared to defend in the House is loyalty to party.

Will the Deputy Prime Minister abandon this double standard, place ethics before loyalty and urge the Prime Minister to demand the resignation of the heritage minister?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member raised the issue of double standards. I ask the member how he can stand there attacking the government for having—

The Speaker: I am sure all hon. members want to hear the answer.

Ms. Copps: Mr. Speaker, the Reform Party accepted $75,000 in donations from Sabre Energy Limited, $25,000 from Burns Fry Limited, $25,000 from Canadian Pacific Limited, and $15,000 from Company 135482.

When the Reform Party asked the Parliament of Canada to revise the standing orders to remove the justice critic of the Reform Party, I did not hear a lot of talk about double standard then.

* * *

[*Translation*]

G–7 SUMMIT

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

This week, a leaked communiqué revealed that the topics on the G–7 summit agenda included obstacles to employment, social programs, education reform, occupational training, flexibility on the job market, and elimination of redundant regulations.

• (1430)

How does the Deputy Prime Minister explain that the government did not invite the provinces, when the topics it is about to discuss with its G–7 counterparts come under their jurisdiction and concern them directly?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we would love to invite them. In fact, provincial environment ministers were invited to participate in a meeting last month in the Yukon.

Unfortunately, the Government of Quebec chose not to be represented.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I would like to say that, on the whole issue of manpower, the HRD minister, who is directly responsible for such issues, has never convened the provinces since he took office.

What credibility will the Prime Minister of Canada have with his G–7 colleagues when discussing and making commitments in areas over which he has no jurisdiction?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, contrary to what the hon. member stated, last Friday I had a meeting with all the ministers of the provincial governments of the Atlantic region to talk about a wide variety of issues relating to unemployment insurance and modernization.

We talked about how we could combine efforts to deal with youth employment issues and how we could begin to work together to provide some joint initiatives to deal with problems of poverty.

Some 48 hours ago we were meeting with provincial ministers as we have been doing over the past year. I tried to tell the hon. member this but it does not seem to quite sink in. I have written to my counterpart in Quebec. I have offered to have meetings. I have yet to have a response.

* * *

MINISTER OF CANADIAN HERITAGE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the previous response of the Deputy Prime Minister illustrates exactly what the government's problem is. It is the inability to discern between legitimate political fundraising and influence peddling or at least the appearance of it.

Every contributor to this event who has been made known to us has received a contribution from the minister, these being taxpayers' dollars through grants and contracts. That is a fact.

The minister and the Prime Minister have stated that all information is public, yet the minister's office refuses to make public the names of those who attended.

Will the Minister of Canadian Heritage table in the House today a list of who was invited to the dinner, who actually attended the dinner, who contributed to the dinner and all the contracts they received from the minister and the department? Yes or no?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the allegations and the questions our colleague has been putting for several days raises an important issue.

The Canadian political system calls for each party and each parliamentarian to take part in fundraising. That is how our democracy works. It is done to avoid an undue burden to the taxpayers.

I would like to know whether the Reform Party is suggesting that there should be no fundraisers and whether the whole bill should be borne by the taxpayers.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let us be clear about what the issue is. It is not about contributions made to political parties. It is about the misuse of a cabinet minister's position to reward those who contribute to his election debts and to the Liberal Party.

It has been reported that this is not the only dinner that Mr. Gervais has organized involving client interest of the department.

Will the minister confirm that other dinners were organized for similar purposes, one prior to September 18, 1994 and one recently this year?

• (1435)

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): No, Mr. Speaker, there was no other dinner.

* * *

[*Translation*]

KANESATAKE

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, my question is for the Deputy Prime Minister. On Saturday, June 10, an election will be held in Kanesatake. The Indian Act provides a procedure for the election process.

Can the Deputy Prime Minister tell us if her government received the necessary guarantees to ensure compliance with that procedure during Saturday's election?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it goes without saying that all Canadians, including those who live in Kanesatake, must comply with the laws that govern them.

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, the Indian Act includes a process which specifically applies to elections held by aboriginal people. These rules are not necessarily the same as the ones which apply to all Canadians.

Considering that she is responsible for aboriginal rights, how can the Deputy Prime Minister claim to protect those rights when, two days before the election, she cannot even guarantee the legality of the election process? There is not much time left.

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I said quite clearly that the laws that govern the people of Canada are applicable in every part of Canada including Kanesatake.

The member says it is not the same law. Just as Jacques Rose has the capacity to elect his membership according to the rules that he establishes, so there are different mechanisms in place in different parts of the country.

[*Translation*]

We are complying with the request for distinct status regarding this election.

* * *

[*English*]

GOVERNMENT APPOINTMENTS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the failure of the government lawyer in a high profile drug case in Nanaimo, B. C. is a classic example of the government putting the appointment of friends before competence.

Yesterday the parliamentary secretary unbelievably said that we should allow a representative of the attorney general to prosecute even though he or she might not have had previous case experience under that particular section of the Criminal Code.

Will the justice minister stop supporting these patronage appointments or is he to continue his policy of amateur hour?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first, I ask the hon. member to bear in mind that he is dealing with the professional reputation of a lawyer who took a case into court in good faith on behalf of the Government of Canada. We ought to be careful, in my respectful submission, how we deal with that professional reputation.

The case to which the hon. member refers is one that may be appealed and I will not speak to that case. In this instance, as in every other, we send lawyers into courtrooms because we are satisfied with their competence to do the job.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the justice minister's comment certainly is reflective of his comment also on June 5 at which time he said that these agents were appointed because they are competent to do the work they are asked to do.

The failure of the appointed agent in Nanaimo and the comments by law enforcement officials clearly indicate that simply is not the case.

This patronage issue relates specifically to public safety. Will the minister undertake a complete review of all appointments of justice legal agents?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in a very real sense I already have. I have already agreed to provide my hon. friend with a list of the agents we appointed as a result of that review which took place since we came to office.

That review also resulted in the imposition of new terms and conditions for all agents: the imposition of a conflict code for the very first time, express terms saying that if they do not practise to the high standards we expect they can be relieved of their responsibility, new training and supervision requirements, and a reduction in the overall number of agents throughout Canada so we can get better value for the dollar for taxpayers.

I will furnish all of that information to the hon. member.

* * *

• (1440)

[*Translation*]

CANADA LABOUR CODE

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, Tuesday, the Minister of Labour claimed that her actions in the labour conflict at Ogilvie were consistent with all of the workers' demands. But, at the same time, the workers were demonstrating in Montreal to have the government pass a law against strikebreakers. Remember, this conflict has dragged on for one year and that calling in strikebreakers interferes with negotiations.

How can the minister continue to claim that what is happening with the negotiations is normal, as she claimed Tuesday, while the unionized workers at the Ogilvie mill blame the length of the conflict on the absence of a law against strikebreakers in Canada?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, what I said, and will repeat today, is that the two parties, including the union, decided to resume mediation in the month of May. There was mutual consent to hold a mediation session on June 20 and 21, this month, therefore. I drew the conclusion that both parties are willing to sort things out at the negotiating table, which is my true wish.

As I have already said, we are dealing with the issue of replacement workers in our overall review of part I of the Canada Labour Code.

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, at every opportunity lately, the minister has been trying to water down her original commitment to bring in a law against strikebreakers in Canada.

How can the Minister of Labour go back on her word and refuse to officially commit to tabling a law against strikebreakers when she knows quite well the positive effects that such a law would have in Quebec?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I have always said that this issue is being reviewed, which is true. This issue, as well as everything else covered in part I of the Canada Labour Code, is under review.

The Canada Labour Code had not been thoroughly reviewed for at least 20 years, so it is high time we update it. I guarantee the members of this House that the issue of replacement workers is included in the ongoing review.

* * *

[*English*]

ENVIRONMENT

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, my question is for the Deputy Prime Minister and Minister of the Environment.

On Tuesday, June 6, I took part in the kick off event of the Niagara River remedial action plan, stage two, the cleanup of the Niagara River.

Can the minister tell us what support the federal government is providing to the remedial action plan?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I am very appreciative that the member participated in the stage one response to the remedial action plan in Niagara Falls on my behalf only a couple of days ago. I know the mayor would have liked to have had me there, and I am sorry I could not attend. I know the work that has been done by the member on the Niagara River is key to moving the remedial action plan forward. I would like to pass along my apologies to the mayor as I was unable to be there.

We have a targeted phase for stage two. We intend to begin the implementation of stage two by the end of this year. We are looking for strong support from our American friends and neighbours because, as members know, most of the pollution in the Niagara River comes from the American side. We want to work with them to make sure that this gets off the list as one of North America's hot spots and returns to its original state which was the heart of the Niagara peninsula.

* * *

HIGHWAYS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, this highway 104 scandal reminds me of the old chicken jokes like: "Why did the chicken cross highway 104?" The answer is: "To avoid the toll booth".

Now I find the Liberal member for Cumberland—Colchester is publicly proposing that a toll booth be put on the New Brunswick border of highway 104, a move that will surely start a toll booth war on the Trans–Canada highway between two provinces. This is very strange behaviour from a government, in fact a Prime Minister, who said this week it was a provincial jurisdictional matter.

Will the Deputy Prime Minister make an attempt to restore faith in the ethics of the Liberal cabinet by asking the Minister of Public Works and Government Services to at least step down until we hear from the auditor general about the minister's inappropriate activities regarding highway 104?

• (1445)

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, as the hon. member should know, tolls and highways are in the provincial jurisdiction. While the member has been going across Atlantic Canada suggesting the Reform Party is against tolls, perhaps he should check with his boss, who in New York City on May 25 indicated he is in favour of tolls and user fees for public infrastructure.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, at least we have somebody answering for that fellow over there.

What we have across the room today is a government that has a lack of ethics, a lack of honesty and a lack of accountability, but there is no shortage of arrogance across there at all.

I have an anniversary present for the minister of public works. I will share a significant quote from our current illustrious minister of public works from *Hansard* exactly six years ago today, which proves just how adaptable these Liberals are. The quote reads:

> I am opposed to pork barreling schemes which only benefit friends of Tories. That is what I am against.

He said that when he was in opposition.

I ask the Deputy Prime Minister if the minister of public works opposes pork barreling in principle, or just for Tories.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, let me also give the hon. member a quote: "Instead of tax based financing, he suggested privatizing current public infrastructure tolls, public and private joint ventures". That was said by Preston Manning on May 26, 1995.

The Speaker: I will permit the parliamentary secretary to finish his answer, but we refer to each other by our constituencies rather than our names.

Mr. Fontana: Mr. Speaker, I apologize for using the name of the leader of the Reform Party, but it was the leader of the Reform Party who said that. It was on the CP news wire that he was in favour of tolls.

Highways are in the provincial jurisdiction and tolls are in the provincial jurisdiction. The Government of Nova Scotia decided that was where it wanted to spend the money to ensure safety and good transportation in Nova Scotia. That is where the decision lies, in Nova Scotia, not in the House.

* * *

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is directed to the Minister of Citizenship and Immigration.

Immigration officers at the Canadian embassy in Paris have once again refused to issue a visitor's visa to Algerians, in this case two grandmothers, Mrs. Ouartzi and Mrs. Sebbar. The House will recall the case of Mrs. Koudil, a filmmaker, and three Algerian actors who were denied visas at the embassy in Paris, although they had tickets for their return flight.

Would the minister agree that his officials at the embassy in Paris behaved deplorably, considering the way they handled legitimate requests for visas from people of Algerian origin, and why is nothing being done to correct procedures that obviously led to this unfair treatment?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am unaware of the two cases involving the two grandmothers' applications for visitor visas. I hope the hon. member understands that I cannot be on top of every one of the one million applications that are made worldwide to visit Canada. I will certainly look into the cases.

However, I think the hon. member should check his language when he attributes motives to our visa officers. He comes from the province of Quebec, which essentially controls independent migration. The province of Quebec also has visa officers around the world. Is he suggesting for one moment that those officers are approving every single applicant, and if they do not, for legitimate reasons, that somehow those Quebec officers are doing the right thing?

What I believe we should be doing with respect to Algeria is not solving some of the problems those people are facing through our visitor visa program. That is precisely why my officials have been discussing with the officials of the Quebec ministry of immigration with respect to independent migration to see if we can help some of those Algerians legitimately, rather than trying to utilize the visitor visa program for things it was not intended for.

• (1450)

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, the visa officers I referred to work for your department.

The Speaker: I may remind the hon. member that he should always speak to the Chair.

Mr. Nunez: Excuse me, Mr. Speaker.

Since these two Algerian grandmothers, both over 65, have already been to Canada several times, when does the minister intend to admit his officials made a mistake and when are they going to issue visas to these women who want to come here to visit their children and their grandchildren?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I informed the member I would look into the two cases.

I know that officers who are looking at the visitor visa program are federal. What I was trying to draw to the attention of the member is that I do not hear him very often criticizing officials of the Quebec government when they refuse individuals.

I hope the member is not turning this into a political issue. He could also have stood in the House today and thanked the federal government for allowing the Garda family to go to New York City to make an application and not deport it to Romania, which allowed it to be accepted as independents, with the co–operation of the Government of Quebec.

I do not need any grandstanding from this member.

* * *

CODE OF ETHICS

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, whether it is the heritage minister's cash for contracts dinner in Montreal, the pork for pavement highway deal in Cape Breton, or the revenue minister's legal cases for cronies on the west coast, the ethics counsellor always seems to be the last one to know. Mr. Wilson is becoming more a political scapegoat than an ethics watchdog.

My question is to the Deputy Prime Minister. When was the ethics counsellor contacted about any of these violations of ethics, and why was he not consulted beforehand rather than after?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member is assuming that there was a violation of ethics.

We have made it quite clear that the Liberal Party and the Prime Minister support public participation in the fundraising process. We have no problem with the fact that MacMillan Bloedel gave the Reform Party $10,000 last year. We would never suggest that a donation from MacMillan Bloedel or

Canadian Pacific or Imperial Oil had an influence on their policies.

It is a very open and transparent process. We support it. We think the public across the country believes that there should be public participation in fundraising. We do not accept that as a violation of any ethical standard.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, it is ironic then that the Prime Minister said yesterday on page 13370 of *Hansard*, "I discussed this with the ethics counsellor yesterday morning". Why would that be necessary then?

It clearly states on page 95 of the Liberal red book that the government will appoint an independent ethics counsellor who will report directly to Parliament. Instead what we have is an ethics counsellor who rules on ethical issues after the fact and who reports only to the Prime Minister. It is yet another red book broken promise.

Given the ethics watchdog's obvious lack of teeth, will the Prime Minister honour the red book commitment and make the ethics counsellor responsible directly to Parliament, not to himself?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the ultimate person responsible for the ethics of the government is the Prime Minister of Canada.

* * *

RESEARCH AND DEVELOPMENT

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, as Canada adjusts to the new knowledge based economy, those organizations who are the major producers of knowledge are struggling to find the resources to meet these new challenges.

The second largest commitment in the red book was the $1 billion commitment to research and development.

• (1455)

My question is for the finance minister. Why has there been a delay in implementing this promise?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, science and technology remains a very important priority for this government. It is the reason why very quickly after we were elected we did implement a number of our obligations: the technology partnerships program, the Canadian technology network.

This is why we look forward to receiving from the secretary of state and the Minister of Industry the science and technology review, which I understand we will be receiving within a matter of weeks.

There were in the budget a number of cuts. If we were to deal with our fiscal problem we had to deal with it frugally. Nonetheless, if we take a look at fisheries, agriculture, NRCan and industry, we will see that to the greatest extent possible we did preserve the research and development capacity of the government. There is a question—

Mr. Silye: Speech.

Mr. Martin (LaSalle—Émard): Wait a minute. If the Reform Party is interested in the future of the country instead of in gutter tactics, it may well want to ask this kind of question.

There are some very important questions we should be asking. Should the government be funding those things that the private sector should do? Should the government in its R and D policy be operating fundamentally or at the margins? Should the private sector be counting constantly on the government? These are the future questions this country has to answer. Why is it that the Reform Party cannot deal with the real future of the country?

Some hon. members: Hear, hear.

* * *

[*Translation*]

FORESTRY WORKERS

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, my question is for the Minister of Natural Resources.

Next year, the federal government will make more than $20 million in cuts affecting private forestry in Quebec, thus penalizing thousands of forestry workers in the Lower St. Lawrence, Gaspé and North Shore regions. Participants in the private forestry summit held in Quebec last month demand that the federal government compensate producers.

I would like the Minister of Natural Resources to tell us what kind of compensation this government intends to give forestry workers?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, I find it only slightly strange that the hon. member and his party, who argue so strenuously for exclusive provincial jurisdiction in the area of forestry, should now suggest that the federal government pick up the tab for forestry.

Having said that, let me reassure the hon. member that my department and this government continue to wish to work co–operatively with my colleague, the minister of natural resources in the province of Quebec. I have written to the gentleman three times. I have offered to meet with him on a number of occasions. The door is always open to further co–operative ventures between our two governments. I await his call.

Speaker's Ruling

ETHICS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, for a second there I thought the finance minister was running for the leadership again.

The Liberal red book is beginning to read like Mulroney, the next generation. Patronage, pork barrelling, pensions, and punishment are the same buzzwords that live on with this Liberal government.

Can the Deputy Prime Minister explain how she and her government can claim to have any integrity when cabinet ministers are untouchables and backbenchers are treated like kindergarten kids when they step out of line?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, on December 20, 1994, a decision was made by the Reform Party to remove as their justice critic the member for New Westminster—Burnaby. At that time, the hon. whip who has just posed the question came to the government and asked us if we would sign the appropriate papers. We did so because we felt that was a decision of his party and we respect democracy.

* * *

• (1500)

GASOLINE PRICES

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, my question is for the Deputy Prime Minister.

I listened with interest to her comments about ethics when she related to the House all these contributions the Reform Party received. I have some figures for the Deputy Prime Minister. The Liberals received substantial contributions from major oil companies: $14,000 from Husky Oil; $27,000 from Amoco; and $47,000 from Imperial Oil.

After repeated unjustified gas price increases, the Liberal government refuses to act to conduct a gas price inquiry. Canadians want to know: Is the government's refusal to conduct an inquiry based on these huge contributions by the oil companies, or is it because it wants more from the oil companies?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, if the member is asking whether or not we have the courage to move on issues based on what is best for the country, he should ask why as Minister of the Environment I am moving to ban MMT, something that governments for 15 years have not had the guts to do.

We are moving to ban MMT despite concerted lobbies by people in the petrochemical industry. If the member thinks a single contribution by a single party will move this government, he is dead wrong.

* * *

PRESENCE IN GALLERY

The Speaker: Colleagues, I would like to call your attention to the presence in the gallery of Mr. Oscar Arias–Sanchez, former president of Costa Rica from 1986 to 1990. This same person is a Nobel peace prize winner, which he earned for his peace efforts in Central America.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

BILL C–68—SPEAKER'S RULING

The Speaker: Earlier today the hon. member for Kindersley—Lloydminster rose on a point of order concerning the report of the Standing Committee on Justice and Legal Affairs on Bill C–68, an act respecting firearms and other weapons.

The hon. member for Kindersley—Lloydminster contended that amendments made in committee to clauses 98, 99, 100, 101 and 101.1 require a royal recommendation and that they should have been ruled out of order in committee.

The argument made by the hon. member for Kindersley—Lloydminster was based on a comment made in committee by the Parliamentary Secretary to the Minister of Justice that new inspectors would have to be hired and trained to fulfil the role instead of adding additional tasks to the duties of police officers.

I have now had an opportunity to review the committee report and Bill C–68 as read a first time and as reprinted by the committee. I am now ready to rule on this matter.

Bill C–68 received first reading on February 14, 1995 with the proper royal recommendation attached thereto.

Clause 98 is the key clause as it relates to this point of order. It was amended by the committee and now reads as follows:

> In section 99 to 101.1 "inspector" means a firearm officer and includes in respect of a province a member of a class of individuals designated by the provincial minister.

• (1505)

In the opinion of the Chair, while clause 98 was amended in committee, the amendment brought to it does not fundamentally alter the financial responsibility of either the federal or the provincial ministers involved.

Clause 98 as introduced in the House had the concept of "police officer" for which the concept of "inspector" has been substituted by the committee. It still remains a provincial ministerial responsibility as to which class of individuals shall

be so designated. It may well be that a provincial minister decides to recruit an entirely new class of individuals for the purpose of clause 98, but it clearly remains the decision of the provincial authority to do so. Whether the class of individuals are called inspectors or police officers has no direct impact on the royal recommendation attached to the bill.

The other amendments brought to clauses 99, 100, 101 and 101.1 deal with the powers and duties of the inspectors. The Chair has come to the same conclusion in respect to those amendments.

Therefore I rule that the amendments do not alter the objects, purposes, conditions and qualifications of the royal recommendation and that the report of the Standing Committee on Justice and Legal Affairs tabled in the House on June 7, 1995 is in order. Bill C–68 can consequently proceed to report stage.

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[*Translation*]

BUSINESS OF THE HOUSE

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, I would like to ask the government what is on the legislative agenda for the next few days?

[*English*]

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this afternoon we will proceed with the report stage of Bill C–85, the retiring allowances legislation and we will continue with it tomorrow morning.

During routine proceedings tomorrow the government will propose a motion as it does every year at this time to provide for additional sitting hours during the last two weeks before the scheduled summer adjournment. If there is time left after this motion is disposed of, we will return to Bill C–85.

On Monday we will proceed with Bill C–68, the firearms legislation, followed by Bill C–41, the sentencing legislation, followed by Bill C–85. Each day next week we will deal as far as we can with these bills in order. We will go on to the next one in order when the stage at which we are considering the first one has been completed.

If at some point during the week we find ourselves finished with all these bills or unable for the time being to proceed with any of them, we would call Bill C–89, the CNR legislation; Bill C–92, regarding the wheat board; Bill C–70, concerning income tax; Motion No. 24, concerning a committee examination of conflict of interest; Bill C–87, the chemical weapons legislation; Bill C–88, regarding international trade; and Bill C–94, the MMT legislation.

If any priority items such as Bill C–22, Bill C–69, Bill C–82, Bill C–86, Bill C–91 are reported from committee or sent back from the Senate for further consideration, we will insert them into the list.

As additional backup items we would like put before the House are Bill C–54, Bill C–65, Bill C–52, Bill C–62, Bill C–88 and Bill C–85.

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[*Translation*]

POINT OF ORDER

ORAL QUESTION PERIOD

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): I rise on a point of order, Mr. Speaker.

During oral question period, I referred to Jacques Rose, but I meant and I should have said Gérald Larose. There is a major difference.

• (1510)

[*English*]

TABLING OF DOCUMENT

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I wish to have unanimous consent to table the list of people who attended the fundraising dinner to which many of the questions during question period were addressed.

The Speaker: Members have heard the request. Is there unanimous consent to table this list?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

The House proceeded to the consideration of Bill C–85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): I will share with the House the ruling by the Speaker on Bill C–85.

There are 40 motions in amendment standing on the Notice Paper for the report stage of Bill C–85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision.

Motions Nos. 1 to 7 will be grouped for debate but voted on as follows: Motion No. 1 will be voted on separately. A vote on Motion No. 2 applies to Motion No. 3. Motions Nos. 4 to 7 will be voted on separately.

[*Translation*]

Motions Nos. 8, 9, 10, 36, 37 and 38 will be grouped for debate but voted on as follows:

a) A vote on motion No. 8 applies to motion No. 36.

b) An affirmative vote on motion No. 8 obviates the necessity of the question being put on motions Nos. 9 and 37.

• (1515)

c) On the other hand, a negative vote on motion No. 8 necessitates the question being put on motion No. 9.

d) A vote on motion No. 9 applies to motion No. 37.

e) A vote on motion No. 10 applies to motion No. 38.

[*English*]

Motions Nos. 11 to 35 will be grouped for debate but voted on as follows. (a) A vote on Motion No. 11 applies to Motions Nos. 12 to 34. (b) Motion No. 35 will be voted on separately.

[*Translation*]

Motion No. 39 will be debated and voted on separately.

[*English*]

Motion No. 40 will be debated and voted on separately.

[*Translation*]

I shall now propose motions Nos. 1, 2, 3, 4, 5, 6 and 7 to the House.

Mr. Plamondon: On a point of order, Mr. Speaker.

Could you clarify the procedure for me? You grouped motions numbered 1 to 7 if I am not mistaken. Then, you said something about separate votes. Can you confirm to me that motion No. 1 will be voted on separately, and more importantly motion No. 4? It is really important to us that motion No. 4 be voted on separately.

The Acting Speaker (Mr. Kilger): Dear colleagues, I wish to make it clear that motion No. 1 will be voted on separately.

Also, motions numbered 4 to 7 will be voted on separately.

Mr. Plamondon: Thank you, Mr. Speaker.

[*English*]

MOTIONS IN AMENDMENT

Mr. Jim Silye (Calgary Centre, Ref.) moved:

Motion No. 1

That Bill C–85, in Clause 2, be amended by replacing lines 5 and 6, on page 2, with the following:

"the House of Commons may, within sixty days after the".

Motion No. 2

That Bill C–85, in Clause 2, be amended by replacing line 23, on page 2, with the following:

"before doing so is deemed not to have elected".

Motion No. 3

That Bill C–85, in Clause 2, be amended by replacing line 30, on page 2, with the following:

"before doing so is deemed to have not elected".

Motion No. 4

That Bill C–85, in Clause 2, be amended by replacing line 37, on page 2, with following:

"tion 2.1 for as long as that person is a Canadian citizen."

Motion No. 5

That Bill C–85, in Clause 2, be amended by deleting lines 11 to 17, on page 3.

Motion No. 6

That Bill C–85, in Clause 2, be amended by replacing lines 27 to 34, on page 3, with the following:

"2.4 A member referred to in subsection 2.3(1) who ceases to be a member and subsequently becomes a member in the thirty–sixth or any subsequent Parliament may not elect under subsection 10(1) or 32(1) to contribute in respect of any session".

Motion No. 7

That Bill C–85, in Clause 2, be amended by deleting lines 37 to 45, on page 3 and lines 1 to 5, on page 4.

He said: Mr. Speaker, I rise today to address the MP pension bill of the government. I cannot believe how fast government members want to get it through. No wonder people in the country are calling them pot lickers and accusing them of being at the trough and pork barrelling. All these phrases arise from the fact that they will not come clean with citizens and tell them exactly what they are receiving in terms of the gold plated pension plan.

• (1520)

We have made a number of motions in amendment to try to improve it. Our overall objective—and it is the reason we object to it—is to bring the pension plan for MPs and senators into line with those in the private sector. We would like to see MPs in this Parliament and all future parliaments fully opt out. We would also like to see a Canadian citizenship requirement for all members of the plan and to see members pensions subjected to the same clawback conditions as the old age security.

I will address Motions Nos. 1 to 7, the first grouping. The effect of Motions Nos. 1 and 6 is to change the opting out provisions so that members of future parliaments can make a one–time decision to opt in or opt out of the plan during the first 60 days the House sits after they are elected.

Clearly the Liberals are trying to prevent it from being an election issue in the next election by only allowing members of this Parliament to opt out of the trough light plan. However, as we can see from the Ontario election, it is and will be an issue in the next election. I predict members of Parliament who do not

opt out in this session will be voted out in the next, should they choose to run again.

We would have liked to participate in a fair pension plan but in good conscience could not and cannot participate in a plan such as the one offered in Bill C–85. All 52 members of the Reform Party, along with a few Liberals, have already indicated they will not accept the pension because it is too generous. How many members have to opt out before the government gets the message that its trough light plan needs some work?

By opting out Reform Party members save $38 million to the taxpayers. It would not take long to figure how much the Liberal government could save. Over 450 members of Parliament belong to the plan already. If current members opted out, the minister of immigration alone could save taxpayers $3 million and the Deputy Prime Minister could save the country a lot of money as well.

Motions Nos. 2 and 3 would have the effect of changing the bill so that a member who dies before the expiry of the 60–day decision period is assumed to have done the right thing and not opted in. The bill does exactly the opposite. It automatically opts these people in. How dare the government try to taint the reputation of a deceased member this way. It is ridiculous.

Motions Nos. 5 and 7 would change the bill to allow all members to opt out completely. Under Bill C–85 MPs who as of October 1993 already had six years of service could only opt out of benefits earned from October 1993 onward, thus creating the trough regular and the trough light scenario.

All members, even Liberal cabinet ministers and the Prime Minister, should be given the opportunity to do the right thing. The inability for longer serving MPs to completely opt out under Bill C–85 creates a two tier system among MPs. The biggest issue is that the bill through its generosity creates a two–tier system for MPs and the public.

Mr. Brian Corbishley, a CA and former assistant to the Auditor General of Canada, is head of KPMG management consulting and author of reports on legislature compensation for the Alberta government. He testified before the committee as one of the few witnesses allowed to appear in one day so the Liberals could fast track the bill. He said that the proposed pension under Bill C–85 was seven times more generous than the typical public sector plan and was four times more generous than the typical private sector plan.

Paraphrasing Mr. Corbishley again, to compare pension plans we combine all the elements into a single measure: the value of the pension earned in one year of service from the employer's contributions; in other words the amount that would have to be set aside to invest each year to pay for the pension. The value of the pension earned from the employer's contribution in one year of service for this member is about $43,000 under the current plan. Under the proposed plan it falls to about $34,000. In the private sector for a person of the same age and same income it would only be $9,000.

The maximum pension for MPs under this plan is 75 per cent of earnings in the best years. For others it is 70 per cent but it takes 35 years to earn it compared to this plan which allows MPs to earn their full pension, 5 per cent higher than the private sector, in only 19 years.

• (1525)

Another witness, actuary and former MP Paul McCrossan, said that the bill entrenched the benefits at a level higher than those available to general taxpayers. I believe the compensation for MPs should be brought into line with modern private sector practice.

Motion No. 4 imposes a Canadian citizenship requirement on all members of the plan so that if a province separated, MPs from the province would not draw a pension from the Canadian government. I have heard comments from members of the separatist party in the House that they do not care what is going on in the House because they will not be here next fall anyway. I think they are wrong. They will still be here and Quebec will still be part of Canada.

If any Bloc members opt into the plan it will be a clear sign that they realize they will still be in the House and in the country long past the fall.

I ask all members of Parliament whether it makes more sense to give us a readily definable salary rather than keep a convoluted pay scheme and a pension plan that is no better than those in the private sector, a transparent and taxable remuneration package. Under the current format Canadians do not even know or have a precise picture of an MP's total compensation package. The scale has tipped so far toward big pensions at the end of the rainbow that for many politicians re–election becomes a top priority because to qualify they have to get elected for a second term.

Are members running a second term to qualify for a million dollar pension, or are they running a second term to serve the country for the salary they will be receiving? It generates more survival mode thinking and less commitment to tackle the tough issues facing Canada and Canadians. Canadians should be able to have a say through an arm's length agency what politicians should be paid.

Let us make compensation upfront. Let us make pension plans upfront, straightforward and out in the open. How difficult is that? Why is it that MPs are setting their own standards? Why is it that MPs set their own pensions? Why can they not hire an arm's length independent body to set a pension plan equal to and no better than the private sector? I will tell the House why. It is

self–serving. They feel they deserve it and cannot justify it outside the House, and the paying public is now aware of it.

As the witness from KPMG management consulting told the committee reviewing the legislation, if the objective is to achieve fair and equitable compensation for MPs, the pension component should be considered in conjunction with other components.

After eliminating the gold plated pension plan, which the bill clearly does not do, the House could agree to a proper balanced package that would be more palatable and compatible with Canadian taxpayers. The proposed Liberal pension plan should be no better than that in the private sector but it is. Politicians must realize that they are no better than those who voted for them. For some reason they think they are.

When I was a businessman two years ago in the private sector I had benefits given to me by my company. They were taxable benefits. What I received in terms of pension was nowhere near what it is here. The double standard in the House is pathetic and I am here to say that it is pathetic. I am now a politician. I am paid as one and I am paid to be one. We have a double standard. We have tax free benefits the public does not even know about. It should not be that way but the government will not do anything about it and I think the Canadian public wants something done.

Politicians should never forget who pays their salaries. Unfortunately it appears that by supporting Bill C–85 the Liberals, the Bloc, the Tories and the NDP have forgotten. In the name of justice and fairness we urge the government with our amendments to go further than it has with Bill C–85.

A lot of MPs have served in the House. A lot of MPs have had the opportunity to fix the situation. In the House today there are 205 rookies and I cannot believe they have allowed the veterans to scoop them. These veterans are finished. Some of them will not even run again but they will retire with the old pension plan that gave six to one in contributions, not this one that gives 3.5 to one.

If the government ran on a platform in its red book based on integrity and restoring integrity to politicians, it would not be forcing time allocation on a pension bill. The Liberals would not be bringing in closure on the gun control bill. The things they are doing to speed things through so the Canadian public is unaware of what is being thrust on it will come back to haunt them at election time two years from now. It will be the Reform Party that the Canadian public will have to vote for in order to correct the wrongs and put right what the government is failing to do.

• (1530)

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I remind those in the House and Canadians who are listening that the government promised to ensure there was an age of eligibility, which has been done. Before this legislation came forward members could collect a pension at any age after six years of service. Now there is an age of eligibility. The government also promised to eliminate double dipping. This has been done.

The government honoured its promises and went further. It ensured the contributions of taxpayers to the MP pension plan would be reduced by over 33 per cent. It ensured the accrual rate, the rate by which credits are accumulated for pensions, would be reduced by 5 per cent to 4 per cent, a reduction of 20 per cent. At the request of the Reform Party it granted this legislation which will permit members to opt out of the MP pension plan. The government has honoured its first two promises and has gone beyond with three other initiatives.

I am amazed at the boldness of my Reform colleague who has just spoken. He used the terms trough regular and trough light, which his leader so effectively used to try to denigrate what was happening. He ought to be referred to as the MP who introduced trough heavy duty. On May 4 he suggested MPs should be paid $150,000 a year and get regular pensions. If that were to happen it would cost the Canadian taxpayer a lot more. Trough heavy duty has been suggested by the member who had the gall to stand up in the House and try to pretend he would fix things. I am really amazed.

The hon. member quoted testimony. I am surprised he did not quote testimony from C.E.S. Franks, a witness when we examined the bill:

> If MPs pensions are looked at solely in comparison with the pensions and pension schemes of other professionals, then the pensions of parliamentarians seem excessive. And that is the comparison normally made.
>
> When these proposals for reform of the pensions of members of Parliament were first made public the media was filled with reports comparing the pension an MP would make after fifteen or twenty years of service with what a school teacher or civil servant would receive after the same period.
>
> Not surprisingly, by comparison the MPs' pensions looked very advantageous. What these reports and experts failed to note is that less than ten per cent of MPs serve in the House for fifteen years or more, and that, after most elections (1993 was an exception) the majority of ex–MPs have served too short a time, less than the required six years, to receive any parliamentary pension whatsoever. In fact, a great many ex–members not only do not have a pension but have a difficult time in finding employment and in re–establishing themselves after serving as a member.

If my colleague is to be selective, I assure the House I will bring some balance into the debate.

I agree the MP pension plan is generous. I will not deny that. However, we must look at it in the total context. If we look at the international scene, France, England, Germany and any number of others, and if we look at the major components such as eligibility, the amount contributed by government, the age a person can collect a pension, number of years of service, et cetera, some countries have provisions equal to or better than

the provisions we have in this plan as it stood and even more so today because of the changes the government has brought about.

• (1535)

If we look at provincial and territorial standards we find the same thing. In other words, in certain provinces one works less than six years. In certain provinces one can collect a pension before age 55. I could go on but I will not. The point is we have to look at it within the total context, which my colleague and his colleagues will obviously refuse to do.

These motions are unacceptable to us for any number of reasons, some which I have mentioned, some which I find extremely misleading, some which do not deal with the topic whatsoever. I am shocked and disappointed it was done so early in the debate.

There is a commitment to allow optional participation for this Parliament only. That was at the request of the Reform Party. The bill extends optional coverage to persons not vested six years so that small amounts of money from the previous Parliament would not remain in the account until a member retires.

Members with more than six years on October 25, 1993 are able to opt out for this Parliament and return their pension as a gift for the crown if they do not want to receive it when they leave office. The deeming provision protects survivor benefits if necessary for members who die before opting in. The requirement to be a Canadian citizen ignores the fact that a pension is deferred compensation for which members have contributed.

For all of the above reasons obviously we cannot be supportive.

[*Translation*]

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, I also wish to participate in this debate, and especially in the debate on the amendments put forward by the Reform Party in Motions Nos. 1 through 7. I must say that we agree with Motion No. 1, which provides that members of the next Parliament should be free to opt out of the plan.

We disagree with Motion No. 2, according to which a member who has not chosen one of the two plans is deemed to have opted out. We feel that all workers hope to receive a pension some day and want to deserve it.

Motion No. 4 is a big trap. We are a little taken aback to see that a democratically elected political party can dismiss the relevance of another existing political party and seek to punish the democratically elected members of a recognized political party for defending ideas.

Motion No. 4 would deny pensions to members who renounce their Canadian citizenship. This is obviously a direct attack against the Bloc Quebecois. The Reform Party must have reasoned that if Quebec ever achieves sovereignty, Bloc members will no longer be Canadian citizens and will therefore no longer qualify for the MPs' pension plan.

I strongly denounce this kind of amendment to a bill. The Reform Party must be seriously misinformed to issue such a statement. May I remind you that, in Canadian history, we are what is called a sovereignist party, a party that hopes to make Quebec a distinct country enjoying a very friendly relation with the rest of Canada as well as economic ties that are as close as they are today.

Let us keep in mind that Quebec is Canada's second trading partner after the U.S. As for Ontario, trade between the two provinces exceeds $68 billion, and more than 100,000 Ontario jobs depend on trade with Quebec.

• (1540)

We are very pleased with the services and economic agreements that we have with the rest of Canada. These arrangements reflect our concept of sovereignty, which is the recognition of the two founding nations, based on the existence of two strong governments which have economic ties.

I want to remind the Reform Party that, when it tables an amendment challenging the legitimacy of the Bloc's presence in this House, it is completely out of line with the history of this country, the Charter of rights and freedoms, and the Constitution. Let us not forget that, when the first Canadian government was elected, out of the 17 members representing Nova Scotia, 16 or 17—I believe it was 17—were sovereignists who wanted their province out of Confederation.

After four or eight years in Parliament, were these members subjected to punitive measures, on the grounds that they had a vision of Nova Scotia's future which differed from that of the rest of the country? Of course not. If the Western Party—I believe it is the correct name—, which was in favour of pulling the west out to annex it to the U.S. or create a new country, had managed to get 30 or so democratically elected members here, would we have tabled motions saying that these people, even though they were democratically elected, have no right to sit here and should be punished by not getting any pension once they leave? That would be totally absurd.

Some communist members also sat in this House. Were they told that, because they were communists, they would not be eligible for a pension later on? Would an extreme right wing government, which could be a Reform government, tell NDP members that, since they represent the extreme left, they will be punished by not getting their pensions? Are we here to discuss ideas or make arbitrary and dictatorial judgments?

In that sense, clause 4 is in total contradiction with the democratic process which Quebec and Canada are proud to share. That process provides that the people can choose its representatives among the various political parties and decide to elect Bloc members if it wishes to do so. However, will these Bloc members later be punished by being deprived of their rights because of the ideas that they defend? This is unacceptable. The left would not do that to the right, nor would the right do it to the left.

I also want to make it clear to Reform members that the fact that we are sovereignists does not mean that we want to break up Canada. That was never our intention. Sovereignists want to build a new relationship with Canada based on the two founding peoples. This would entail a very strong, central government in Quebec, a very strong, central government in Ottawa, and economic links between the two. However, Quebecers would pay their taxes to Quebec only and Quebec and Canada would only jointly buy the services that are deemed necessary to have in common.

For example, you may want to have a Senate, but we Quebecers may not, so you can have it and pay for it yourselves. If we both decide we want to maintain the St. Lawrence Seaway, we can do so together. If we decided to share an army, we could work out arrangements. The expression "based on the two founding peoples" simply means that. Currently, approximately 50 per cent of all people in Quebec—we had 49 per cent of the vote—share the Bloc's vision and the other 50 per cent have a different vision. Some people are still undecided, but a good 40 per cent of all people still share the vision that Quebecers can have everything they ever wanted within the federal system.

Therefore, we have two options. There is nothing wrong with being a sovereignist, it is not a punishable offence, it is not a terrorist movement or a movement bent on ruining things; it is a movement, a political party with a philosophy and a vision for the future of Quebec and if its vision prevails, even better. However, there is still another vision in Quebec, the vision of federalism. It is therefore a debate on the issues based on mutual respect which people must choose. It must be up to the people to decide.

• (1545)

And if the people choose sovereignty in the referendum, Bloc members, who worked here in Ottawa to bring sovereignty to pass, should under no circumstances be denied certain services or compensation for the years in which they democratically held seats and defended their vision against others. And if their vision prevails, they should not be penalized for having served Quebec, and indirectly Canada because I think that Canada would be in much better shape if we were two separate countries. They should in no way be penalized regarding their pension plans or other plans for having had this vision.

It is quite regrettable that a recently elected party which calls itself democratic, the Reform Party, would dare to table a motion of the kind. It is unworthy of a democratic party. It is an attack on the very act of democracy and the faith in it that all Canadians and Quebecers have. It is an insult to our Charter of Rights and Freedoms. It is an insult to our Constitution.

It is also an insult to western democracy to have to say in a motion that people are judged by their ideas and that their rights will be adjusted accordingly. No democracy can tolerate this. That is the kind of thing we would expect from dictatorships from the extreme right or extreme left and it has no place, it seems to me, in this noble assembly, the House of Commons, which has always been preoccupied with respecting democracy and above all respecting the hon. members who were mandated by their own electorate to sit in the House.

I think that clause 4 should be voted down or even dropped before the vote.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, it is with pleasure that I engage in debate on Bill C–85 and the motions to amend certain clauses of that bill.

The time has come for everyone to recognize that the current pension plan, which is the privilege of MPs of the House, is obscenely generous. Even if the changes proposed in Bill C–85 were implemented, they would still be obscenely generous.

I want to make reference to the Prime Minister's statement suggesting that perhaps MPs do not think they should be paid that much. An MP does not take a vow of poverty. Canadian citizens want their MPs to earn decent incomes. They want them to have decent pensions. They want to reward them for the work that they do. However, it should not be disproportionate to the benefits and salaries they receive.

Therefore, some fairness and equity has to be placed into this whole business. As MPs we recognize our worth. Canadians recognize our worth, but we do not believe that we should become some kind of elite component of society that receives benefits that are over and above those given to other members of society.

The right balance must be struck between a reasonable, personal income and a public rip off. The current plan is a public rip off as is the way it is conceived to be in Bill C–85.

This spring a number of changes were proposed. However, one change that I want to draw particular attention to is the chance to opt out of the pension plan.

Mr. Speaker, I would like you and all the rest of the members of the House to know that I have chosen to opt out of the plan. I take very strong exception to the statement that the President of the Treasury Board made when he said: "Reform members are all being forced to opt out".

Mr. Strahl: Nonsense.

An hon. member: Nonsense in spades.

Mr. Schmidt: That is absolutely a misstatement of the truth. Mr. Speaker, I want you and everybody else to know it was a very conscious and deliberate decision on my part. If any forcing took place it was the minister who would not change the present pension plan so that we could opt into it with reasonable assurance that it was fair and equitable with regard to the taxpayers of Canada.

• (1550)

If any forcing took place it was the lack of decision making on the part of government members. It did not introduce the kind of amendments that ought to have been introduced into the pension plan so it would be fair and so it would be generous in the same way that other pension plans are generous for all other citizens.

If any forcing is taking place that is where it is taking place. With respect to my decision I do not feel any compulsion whatsoever from my party or anyone else, but simply my allegiance to my constituents. My constituents have told me loudly and clearly that I do not deserve a pension any larger than the one that is normal and acceptable for all Canadians, and they are prepared to pay for that.

The other aspect is that the proposed changes are not retroactive.

An hon. member: Excuse me, I have to make a phone call.

Mr. Schmidt: Good, make the call. I hope you do. The other point we need to recognize is—

The Acting Speaker (Mr. Kilger): Order. I might have missed something. Try to keep that to a bare minimum. I would ask the co–operation of all colleagues to make their interventions through the Chair.

Mr. Schmidt: Thank you, Mr. Speaker, phone calls should be done that way as well.

The present proposal introduced a two tiered pension system, those who were elected before 1993 and those who were elected in the 1993 election. Two kinds of pension plans are operating. That is an unfairness in itself. Why should one group of MPs be treated differently from those who are coming up?

I want to illustrate exactly how obscene the benefits of this plan are. Here is a list of the top 10 takers under the new plan as proposed by Bill C–85 so everyone recognizes what we are talking about here. The figures are estimated on nine years as ministers and living to age 75. These are the people who qualify under those categories, assuming also a 5 per cent inflation rate per year.

The hon. member for Sherbrooke will collect $4.5 million. It so happens that this individual is also the leader of the Progressive Conservative Party. The member for Humber—St. Barbe—Baie Verte will get $3.9 million. He happens also to be the minister of fisheries. The member for Cape Breton—East Richmond will get $3.6 million. The member for Burnaby—Kingsway will get $3.5 million. The member for Winnipeg Transcona will get $3.3 million. The member for York West, who happens to be the minister of immigration, will get $3.1 million. The member for York South—Weston will get $2.7 million. The member for Hamilton East, the Deputy Prime Minister, will get $2.5 million. The member for Papineau—Saint Michel will get $2.6 million and the member for Glengarry—Prescott—Russell will get $2.1 million.

Where is any other Canadian with a normal income and the usual kinds of productivity going to get that kind of pension? I submit to the House that the witnesses who appeared before the committee stated that it is not going to happen.

The President of the Treasury Board said that this is a significant change and reduction, which is a lot of bafflegab and clever but very misleading words. It is hypocrisy under the guise of an election promise.

I could not help, as I was preparing some of my notes, to think about a nursery rhyme that I learned. It goes something like this. It fits this hypocrisy beautifully. It says: "Little Jack Horner sat in the corner, eating his pudding and pie, he stuck in his thumb, pulled out a plum and said what a good boy am I". I could not help but think about the Liberals sitting in their places, looking and revising their pension plan. They stick in their hand and they pull out a gold plum and say what a good Liberal am I.

That is not all. In the final analysis it is the victory of greed and self–interest over common sense and responsible leadership. That is the saddest part of it all. Where is the leadership? Where is the example for our young people? Where is the example of responsible expenditure of public funds?

• (1555)

We are supposed to be the guardians and to treat taxpayers' money as funds kept in trust on their behalf and to expend them in their best interest. However, what do some MPs do? They say: "Please cut back and be responsible, but not us as MPs. We are just fine and should be given a little more. Our pensions should be cut a little but not too much. We have to make a lot of money after all we gave up".

I do not think there is a single MP in the House who did not calculate very carefully what the cost to come here would be. Some looked at the pension plan and said: "Wait a minute. That is a freebie. That would be great for me to have". That has

become the issue and is not a measure of productivity. It happens after years of productivity here.

There is a serious lack of leadership. We need to get our leadership back into focus. We must become examples to young people and to other citizens.

Let us examine some of the great and wonderful benefits. I return to the point I made earlier about the President of the Treasury Board saying that we have been forced into it. He said that we should look after the interests of our families for the future.

If anybody in the House is looking after family members, it is some of our people. I look at one of my colleagues who has a young family at home. If there is anyone here whom I know personally who cares about his family, it is this man. He is saying: "I am opting out of the pension plan". The issue is that we have calculated the cost. We know the cost and have said that we want to pay the cost as all other Canadian citizens have to pay a cost to retire.

I commend my colleagues who have decided to opt out of this overly generous plan and who are prepared to put their reputations, their leadership and their imagination on the line. There is another vision for Canada, a vision of responsibility, a vision of leading the country into a moral position that says we will treat taxpayers' money as a public trust with the same jealously and with the same concern as we have for our own.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I listened very carefully to what the hon. member for Richelieu had to say. He expressed his surprise at the wording of Motion No. 4 which says that members who want to make an election concerning their pension will be able to receive the pension or make that election only if they are Canadian citizens.

I am astonished, surprised and disappointed to see this kind of proposal because, like the hon. member for Richelieu, I see this as an attack on the members Quebec sent to Ottawa, an attack on Bloc members. The message is that Bloc members are sovereignists who are trying to get Quebec to separate and should be punished by being deprived of their pensions.

When they were elected in October 1993, the Bloc members were well aware that their term in Ottawa would not be long enough to entitle them to a pension. However, I would like to point out two things about Motion No. 4. First, I think it is unfair to sovereignist members who work in Ottawa and represent their constituents. Sovereignist members from Quebec received a mandate from the people. They are proud to sit in the House of Commons and do the job they promised to do, which is to defend the interests of Quebec and promote Quebec's sovereignty.

• (1600)

Incidentally, this motion attacks not just Quebec sovereignists but any Quebecer sitting in the House of Commons who, after Quebec becomes sovereign, decides to give up his Canadian citizenship, because the motion says: "As long as that person is a Canadian citizen".

So are the Prime Minister, the Minister of Foreign Affairs, the Minister of Finance, the Minister of Labour, the President of the Privy Council and Minister of Intergovernmental Affairs, the members for Sherbrooke, Pierrefonds—Dollard, Verdun—Saint–Paul, Outremont, Gatineau—Labelle, and the member for Notre–Dame–de–Grâce who has been in this House for 30 years, are they all going to be forced to choose between their pension and their citizenship after Quebec becomes sovereign?

Are you going to tell the Prime Minister who, if I am not mistaken, has been a member of the House of Commons for 30 or 33 years and who has represented the people of Quebec to the best of his ability: "Mr. Prime Minister, if you do not give up your Canadian citizenship, you will be entitled to your pension, but otherwise, if you take out Quebec citizenship, you will give up the pension entitlements you had under Canadian law"?

I consider this motion unfair for the membership of the Bloc Quebecois because it smells like punishment. It is also unfair for federalist members of Parliament from Quebec, who will be asked to choose between their pension and their citizenship.

It also makes a mockery of the whole Quebec sovereignty debate in which it has been made clear that Quebec would assume its responsibilities in the event of sovereignty. Quebec will not ask people living there to give up their citizenship or anything else in order to obtain Quebec citizenship. Quebec will not, for example, ask federal public servants entitled to a pension to give up their Canadian citizenship in order to receive a pension paid by Quebec, because Quebec has announced it will assume the responsibilities it inherits from the Government of Canada in the area of federal public service pensions.

I think that a motion like this one complicates matters ahead of time for the Quebec and Canadian negotiators who will be trying to reach an amicable agreement after Quebec achieves sovereignty.

I think it is a very bad thing and does not augur well for the future to have Parliament adopt this sort of motion. It is a disgraceful way to behave and it will hinder future negotiations.

I think we will need all our democratic and justice wits about us to ensure that the negotiations following sovereignty are conducted in the best possible manner. It is not acceptable for the Government of Canada to adopt a motion like this one, which

will prejudice discussions and make it harder for Canada and Quebec to reach an agreement before they even start.

[*English*]

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I would like to think it is a pleasure to speak to this motion today and if I begin to speak rather quickly during my presentation it is because the government has invoked closure; I must hurry as usual to get through before something else happens on the other side.

This is not the first time I have spoken on the bill. It is a very important bill. The three most substantial bills for my office as far as public interest especially in this spring sitting of Parliament are the MP pension plan, Bill C–41, the sentencing bill, and Bill C–68, the gun control bill. Those three have invoked more interest in Canadian papers and in my riding than any other legislation the government has talked about or has brought in.

• (1605)

The Canadian public should know that today closure was invoked on those three bills to stifle debate in the House. Those three bills the Canadian people think are most important have now been allocated only a few hours of debate before they have been passed and rammed through Parliament.

Before I get to the substance of the bill, people may think these bills could be dealt with in committee. Maybe that would be a good place to air them and put forward amendments.

On first reading of Bill C–64, the employment equity bill, I was not allowed to bring amendments because they were in English only and could not be accepted. Then only five minutes of debate was allowed per amendment, which meant often I was not allowed to speak. When it was brought to the House, closure was invoked like it was done with the three bills. When the committee has a bill as controversial as the pension bill, it does not have to invoke closure, it just will not let any witnesses appear. That will take care of the debate.

Perhaps a private members' bill would be a good way to get democracy to the forefront and on to the front burner. People should have been in committee the other day to see the look on the face of the member for Hamilton–Wentworth when Bill C–224 was deep sixed by the Liberal majority on the committee, never again to see the light of day because it did not want to see it there.

It is very difficult to get a point of view across and it is disappointing to see the government, which campaigned on open government, more access for the Canadian people, invoking different types of closure in different ways to stifle meaningful debate. It is very discouraging.

In speaking to this block of motions before us on the bill, I want to reiterate concerns of my constituents. I could read from endless supplies of letters I have received from people concerned about the bill, about the previous pension plan and so on. They are very angry.

Of the three bills I mentioned earlier this bill is the one that really peaks their interest. Because we cannot have meaningful debate in here the government will not allow it to go on as it should.

The last time I was on my feet speaking to this bill on previous reading I offered to debate any member of the House anywhere in Canada at any time in a public forum on pension plans. We cannot seem to get Liberal members to debate it here. They are not very proud of it. There are not many speakers from the government side. No one accepted the challenge because they realize the amount of gas to keep their cars running out behind the theatre to make their quick getaway would cause some kind of global warming.

No one will debate. No one wants to debate in a public forum. No one on the Liberal side is proud of this legislation. They will hang their heads and pass it later on. It is really too bad. I believe the government is running scared on Bill C–41, Bill C–68, the pension bill, Bill C–64, the employment equity bill. It does not want to debate any of those. It does not want to debate anything like that because it realizes those are the things Canadians will get upset about. It hopes to slide these through and somehow keep people from knowing the truth about this pension plan.

I want to make perfectly clear for my constituents that I will have to opt out of the pension plan. It is a shame really. I sent out 40,000 questionnaires earlier this year and 85 per cent of the people who responded on this issue said they think members of Parliament should have a pension plan. There is nothing wrong with a pension plan, only make it the same as the pension plan in the private sector. They supported me. A pension plan for MPs is not a bad deal, but they said I should not dare support the pension plan proposed by the government.

That is too bad. Most members on both sides of the House have families. I have a wife and four kids. I like to support them and do my part in family finances. However, when the Liberals deliberately put together a package they know no fair minded person can support, it is a shame. They will force people out of the pension plan to make sure there is nothing available. This shows their motive, especially when speaking to Motions Nos. 1 and 6, the idea of opting in or opting out of this plan for future parliamentarians.

• (1610)

In a sense the Liberals are hoping to invoke closure on this issue even into the next election. They do not want to talk about this. It is a fait accompli. One must be part of this pension plan to run for Parliament next time. They are even trying to stifle the debate on the next round of parliamentarians, which is really disgusting.

The next time around Canadians do not need to worry because if they vote for a Reform government this pension plan, regardless of what the bill says, will be gone, deep sixed as it should be. We will have a fair pension plan in which we match funds one for one, not this ridiculous four to one, gold plated plan we see have today.

Let me read one or two letters. It is almost sad to have to read a letter like this, but I will read a little to show what constituents think about MP pension plans. This letter came to my Chilliwack office:

> In 1950 as a young nineteen year old man I was working as an apprentice making one dollar an hour. When Canada asked for volunteers to go to Korea I volunteered. I spent two years in the trenches and many times did not know if I would see the sunrise the next morning. Many of my comrades did not.
>
> I continued to serve my country for another 15 years until I became a diabetic and was forced to retire from the armed forces. For all my dedicated service I received $142 a month.
>
> Three years ago I lost my leg and could not work any more. Now my pension is indexed and I receive $580 a month.
>
> A member of Parliament serves six years in office, receiving a good salary and many fringe benefits. If he is not re-elected after this time he receives a pension—

—this is under the old plan which many people on the front benches will qualify for—

> —of $40,000 a year which is already indexed. How can they justify this? My wife and I have worked hard all of our lives to raise six children and help build a way of life for ourselves and our fellow Canadians.
>
> Why are my 16 years of service worth only $142 a month and an MP's six years of service worth over $3,000 a month?

If I were to be challenged on this idea of debating in public and I brought forward this letter what would be the response from the Liberal members? That is why they will not debate it outside of this place. It is a sad thing. How can one look in the eye of a veteran like this, a guy who has now lost his leg and is unable to work, and tell him: "Survive on $500 a month and then pay my pension with your taxes?" I have said enough.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I am deeply troubled as I rise today to speak to the issue of MP pensions. My opposition to the pension plan and that of my colleagues is well known and our refusal to accept it is well known.

What especially troubles me today is the way the government is using time allocation to ram this and other bills through the House without proper debate. This is an abuse of our parliamentary system.

In speaking to the pension scheme, as I often do when I am speaking on bills in the House, I always refer back to the auditor general's observations about what government spending should be about. There should always be accountability. There should always be a designated goal and a measurement for whether those goals are being achieved by the expenditure. What is the purpose of this pension plan? What is it meant to do? Is it achieving that?

When the American government was instituted some two centuries ago there was actually a spirited public debate as to whether legislators should be paid at all. Some said they had to be because otherwise only the wealthy could engage in politics. Others said they should not because politics should not attract people who thought they could make a comfortable living if they were good at it.

• (1615)

The decision that they should be paid seems obvious, but back then politics was not a full time occupation. Legislatures sat less often for less time and they did a whole lot less legislating. Maybe that is something we could enjoy as Canadians. By the way, back in 1867 Canadian MPs were paid $6 a day. Things are a little different today. Now we have professional politicians. That is the consequence of the decision to pay them well.

That has both good and bad aspects. On the bad side, too many people in the House have never had real jobs. I do not say that political expertise is always bad. We do need people who understand how to get things done and how to work within the parliamentary system. I suppose it is good that some people can do politics full time as a career, but we can have too much of a good thing.

In any case, the decision was made to pay politicians so that financial barriers to holding public office would not exist. That is defensible, and it produced predictable results. MPs are also paid fairly well today. We are not paid as well as some people may think, although as my colleague from Calgary Centre recently pointed out, we are paid more than is apparent. We are paid reasonably so that we can afford to devote ourselves full time to the job and, to be quite honest, so we will be harder to corrupt. Frankly, that is money well spent. MPs who are struggling to survive and to keep the wolf away from the door are obviously more susceptible to improper approaches. So we have good reason for paying politicians and for paying them reasonably well.

What about the pension scheme? What is the reason for having this pension plan in the first place, and why is it so generous? It is obvious that the purpose of the pension is to enable people to stay with a career, knowing that when it is over they will be provided for. Private sector companies have pensions for that reason, and it is quite reasonable.

No one doubts the desirability of having pensions for MPs, as my colleague just pointed out. The real question before us today is do we have a good reason for having an outrageously generous pension system for MPs compared to their salaries and compared to the private sector and compared to other Canadians? Put another way, is there a good reason for structuring the rewards for politics so that MPs get less now and more later, that is, if they survive six years or longer? Is there a good reason for

creating a system where the reward for being an MP depends very heavily on getting re–elected again and again? Do we have a system that rewards MPs for making the right choice here and now, or one that encourages them to promise and promise to deficit spend, to go along with their leadership even when they know it is wrong, all in the desperate hope of being re–elected and becoming a 20–year man or woman and walking off with a huge pension? That is what the pension plan is doing right now.

Mr. Speaker, the other day you found it necessary to remind my colleagues on the opposite bench that this is a debating chamber and not a barnyard. The problem that time was chicken sounds from the other side, but it is also inappropriate to hear snorts and grunts.

I do not expect my colleagues opposite to agree that we are, all things considered, overpaid. Perhaps they will agree that the current system is dishonest because it conceals the real compensation MPs receive. Perhaps they will also agree that it is poorly designed, in that instead of rewarding courage and sound decisions in the present it rewards survival at any cost.

I think my colleagues opposite would be wise to go home and speak to their constituents before they make decisions on how they will vote on the pension bill, decisions that may haunt them in the next election. I also think they would be wise to take some time during the recess, if we wait to pass the bill, and before the recess if we do not, to consider the following questions.

If we are going to reward MPs at a certain level, does it make sense to put the money primarily into salaries or primarily into pensions? If we are going to reward MPs at a certain level, does it make sense to pay all of them more or less equally or to give far greater rewards to those who have been here the longest?

I want to repeat that I thoroughly understand the importance of having expertise available. I am no career politician, and I understand that this is not, in proper numbers, a bad thing. However, I also believe that a system that rewards survival in politics above all else will attract to politics precisely those people most adept at surviving election after election. Too often these are also people skilled at sacrificing the future to the present in their public policy decisions. Our national debt has essentially accumulated in the last 20 years.

• (1620)

Last night the member for Durham said: "I have often wondered coming to the House how it is possible that Canada created the debt it has today. I have often wondered who was controlling the cheque books.". Perhaps he should ask the Prime Minister, a consummate political survivor, a former finance minister, and a master of promise now and pay later. Such politicians have proven very skilful at convincing Canadians they can have their cake and eat it too, which has been ruinous for the country. It has been very lucrative for them, however.

Our national debt has accumulated under politicians who made promises and presented bills later and were re–elected for doing so. Our national debt has accumulated under politicians with very generous pensions. I am afraid our national debt is so huge that the only people who can shoulder the burden in the future will be MPs on their pensions. Frankly, I do not believe the hon. member for York Centre will wind up in a cardboard box collecting pogey if we reform MP pensions. I do believe the current system rewards wrong behaviour, which is very bad and ill considered.

Let us by all means adopt an honest system of paying MPs. And whatever we decide to pay them, let us put most of it into salaries, with a pension system no more generous than the private sector. Let us not reward the political survivor above the one who does what is right, who tells the truth, and who sometimes must pay the price for doing so.

Proposed changes to the MP pension plan are totally inappropriate. The members opposite imposed closure. They have heard countless complaints about the generosity of the plan. They have excluded witnesses critical of the pension plan from committee hearings, but they cannot exclude the Canadian public.

I look forward to going to all of their ridings in the next election to remind their constituents of how they behaved today. Because of their votes today, they are going to need their pensions after the next election, because I am convinced they are not going to be here.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I had not intended to speak on the bill, but I think members have raised a number of issues that bear commenting on and require me to remind the members of what is being proposed in the bill.

I would like to address the general feeling of many of the speakers that the pensions of members of Parliament should have the same provisions as those applicable to the private sector.

One of the aspects of private sector pension plans the members have not given any consideration to whatsoever is the vesting differential. Vesting is the point at which the contributions of the employer become the property of the employee. Consider a corporation with a pension plan that contributes x dollars to a plan, which is matched by the employee. Let us say they contributed $1,000 each. There would be $2,000 in that plan. That accumulated amount starts to accumulate to the benefit of the employee following a two–year tenure of employment. After two years of employment an employee who is a

member of a normal private sector pension plan automatically starts to accrue and accumulate benefits.

If the members really wanted to provide all of the details they would have to take into account the differential in the vesting being imposed upon members of Parliament and the vesting benefit that is available in the private sector.

• (1625)

If we were to go to a system where vesting in the private sector was applicable to members of Parliament, that means each and every member of Parliament would automatically at the end of two years of service start to accrue and be entitled to a pension. That means that the vast majority of members of Parliament who never did reach six years of service would automatically be included. In fact the cost of the pension plan would more than double. In a quick calculation I did here on my laptop computer, I find that it would almost triple the cost of pensions to the House of Commons simply by changing the vesting benefits.

I honestly believe that the government has come forward with certain provisions that are absolutely necessary. The government, in its election platform, said that members' pensions should be reformed. There were two specific commitments, as the hon. parliamentary secretary outlined to the House. First, there was the eligibility. Under the current plan, members of Parliament would be eligible to be entitled to a pension if they served six years in aggregate in this House.

Under our Constitution a House must turn over at least every five years, so the six years is actually a very critical period. It means that a member of Parliament has to be elected at least twice, and in some cases in our history it has been more than twice. It could be three and sometimes four times that members have had to run simply to accumulate six years simply because of Houses collapsing before their five–year mandate might be available.

The six years really is a critical period, and it does, as all members know, eliminate a vast majority of members of Parliament from ever qualifying for pension benefits. Those are the differences that I think would have to be rationalized if the hon. members of the Reform Party would like to somehow move this to a system compatible with the private sector.

The second item the government committed to in its red book was to end double dipping. I am very proud to say that the Prime Minister did not wait until this legislation came forward to bring in effectively the end of double dipping. The first example was with regard to the newly appointed governor general, who was a member of the Senate and entitled to receive a pension. The governor general was asked and accepted to reduce his salary otherwise payable as the governor general by the amount of pension. The double dipping is eliminate.

There are other examples in which the double dipping has effectively been eliminated even before this legislation has come forward. Those are the kinds of things the government has committed to and is doing, even in the absence of the legislation. That is important to point out.

Finally, as was pointed out earlier, in response to the need to demonstrate to the public that there was a goodwill effort to deal with this issue, the Prime Minister went further than his commitment in the election. He went further by proposing that the rate of accumulation of pension was going to be reduced. It is called the accrual rate and it has been reduced from 5 per cent to 4 per cent.

With the changes that have been made in addition to the commitments in the red book, the cost of the pension plan is going to be reduced by some one–third. Changes that have been made have been very significant changes.

For some hon. members and I know for many of my own constituents and Canadians across the land, there is a compensation question here they would like to have resolved.

The Reform Party whip has suggested we eliminate perks, pensions, and everything and simply pay members $150,000 a year. The member has determined, based on the work and research his party has done, that $150,000 a year is the salary we should be paid to compensate us for the contribution we make in this place.

• (1630)

I do not want to debate with any hon. members what the value of my work is to the House. Certainly under any criteria I would never suggest that $150,000 a year would be appropriate for this job. It is an absolute ludicrous suggestion. I do not think that the Canadian people, if they really knew what the Reform Party had in mind, would consider any of this rhetoric as being in any way credible.

Very often in debate members have raised certain examples where a person is going to get a pension which by the time he or she reaches age 75 will have accumulated in value to $3 million, $4 million, $6 million and so on. Let us get the facts right. They are working with numbers and people have to be cautious about numbers. Let me give an example of what this pension plan would mean to me, the member for Mississauga South.

If I should serve six years I will be entitled to a pension which will accrue at 4 per cent a year or 24 per cent of my salary. My salary is $64,400 a year. That means I will get approximately

$15,000 a year in pension but it will not be payable to me until I reach age 55, some seven or eight years from now.

I think members have been using age 75 as a period to which we would be getting the pension on average. Therefore, between the ages of 55 and 75 getting paid that $15,000, the net present value of those payments is $460,000. That is also a big number but it is a number which is made up of a $15,000 annual payment over 20 years with an assumed rate of interest of some 4 per cent which is the rate we get if we should not make our six years and we get our funds back.

The most important point I wanted to raise is the point I raised initially with regard to the vesting. Members really must consider the differential in the vesting provisions available to private sector pension plans and those that are imposed on the members of Parliament. It does have a significant impact on the calculations and it also has a significant impact on the rationale as to eligibility.

If those members believe that every member of Parliament, and I stress every member of Parliament who serves two years, should get a pension when they reach age 55, my figures show that the cost to the House of Commons would triple.

Mr. Strahl: On a point of order, Mr. Speaker, I listened with interest to the member for Mississauga South. Was he challenging me to a debate in his own riding? Is that what he was doing?

The Acting Speaker (Mr. Kilger): That might be a matter of debate the members may want to further look into at some other time and some other place. Respectfully, the member does not have a point of order.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, most of the time when I get an opportunity to rise and speak regarding a bill, I usually say it is a privilege and an honour to speak to it. However today I am going to have to get up and say I cannot believe I would have to rise in this place to speak on such a bill and that such a bill even exists.

Surely there are enough people here who realize that such a lucrative plan is not acceptable to Canadians. They should take the time to find out, Even the Liberal whip might just check with his constituents and see what they have to say. I would be interested in the results.

• (1635)

I quote a former parliamentarian and an actuary. This is what he said about why this pension plan is wrong:

> I believe that compensation for MPs should be brought into line with modern private sector practice. My conclusion is that this bill is bad for you as members, bad for Parliament as an institution and bad for Canada. It entrenches your benefits at a level higher than those available to general taxpayers. It is my opinion that as long as your pension benefits exceed the levels available to taxpayers, there will be a strong public opinion to the effect that MPs are overpaid. More and more, the public's attitude to politicians is that they are all crooks. Some of this has to do with actual scandals, but in my view, the underlying cause is a view that politicians set one set of rules for themselves and set another for the general public.
>
> I put it to you that if one of the last acts of Parliament before the summer recess is to pass legislation entrenching pension benefits for MPs at levels well beyond those possible to the citizenry—I believe that Parliament will have lost the moral authority to proceed as the country needs.
>
> You may be faced with immense public outrage for protecting your privileged position just before you skewer Canadians. In that case, you deserve the public's contempt.

He did not even know about closure at the time he made that statement. I could not agree with him more.

I picked up some other quotes that were mentioned at various times around the Hill. I am not even sure when they were said, but apparently a member from Mississauga said: "We have no option because the salaries are not generous enough to enrich our pensions ourselves. Therefore, the government has to provide for us". What a bunch of hogwash.

I know full well and if they do not they should stay close to their phones once in a while. I doubt very seriously that we could find a member who has not received a phone call from some senior citizen or some other individual who is having a really tough time making it.

I received one from a pensioner this week who said: "Mr. Thompson, I make $714 a month. My husband is not well. We are having an extremely difficult time even paying rent. We had to give up our home not too long ago and we are asked to make it on that kind of money. What can you do for us?" I work at trying to do something for those people but then I think how can I with any conscience at all tell her I will do all I can for her, that I will work so hard for her but I will accept a pension that will pay four to one.

Mrs. Brushett: Give her some of your pension.

Mr. Thompson: I would be more than pleased to. In fact, I probably have. I do not know how anybody with any conscience at all could listen to situations like that and then accept something like this pension.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Kilger): I understand there are some very strongly held views on this subject matter, but I certainly would like to have the benefit of hearing each and every intervention.

Mr. Thompson: Mr. Speaker, there is one thing about it. When I go to my grave I will never say I ever took anything that was not deserving from anyone. I will not accept the pension. I will opt out or I will not opt in, whichever it is.

• (1640)

I could not go to my grave with a good conscience knowing I had done that, especially when we have people in this House who have brought the government practically to its knees. If they have not done that yet, they soon will with a $600 billion deficit. People are crying because they cannot get unemployment insurance. Seniors cannot make it because of their pensions. I cannot believe what I am hearing. They would not give an inch. Not an inch.

During the 1993 campaign, boy were things going to be different. Were they ever going to be different. I stood on the same platform with people who agreed with me that things had to change with the pension. If the Liberals could agree with the Reformers on one thing, it was to fix the pension plan. This is not even a band–aid.

We ought to be ashamed of ourselves for even considering such a thing when we are asking everybody in the country to tighten their belts. There will be no more UI money. There will not be any more old age security money. No more CPP. We have to cut our health care. We have to cut education. But boy, we are going to keep those fat pensions coming. What a bunch of hypocritical nonsense.

I hope in the next election, on this issue alone, if they do not pay the price for what they have done today that they will wish they had.

Mr. Duhamel: What is your pension?

Mr. Thompson: My pension, just in case hon. members want to know, is about $914 a month as a school teacher. I paid into it for nearly 40 years and it was not matched dollar for dollar until about the last five years of my work. It took a long, long time. That is called a private sector pension.

Mrs. Brushett: Double dipping.

Mr. Thompson: Mr. Speaker, they can call it anything they want but it is not double dipping.

I also issue the challenge to my friend from Fraser Valley in British Columbia. If any one of you suckers wants to take me to your ridings, let us go.

The Acting Speaker (Mr. Kilger): Order, please. I want to take a moment to remind all members that interventions must be directed through the Chair. I think it becomes apparent on a day like today with subject matter on which there are strongly held views, that if the debate is not maintained in the traditional parliamentary fashion with interventions being made through the Chair that some rather unexpected and possibly unparliamentary statements might be made. I urge members on both sides of the House to be judicious and respectful in the normal practice of the Chamber.

Mr. Thompson: Mr. Speaker, no doubt a person is going to get a little riled up over this kind of an issue. I apologize for not speaking through the Chair. I lost it, but I will repeat what I said.

Any one of my hon. colleagues across the way who would like to take me into their ridings to debate the pension and my personal pension which I earned after many hard years of work at less than a dollar for a dollar, then I would be more than pleased to accept the invitation.

Mr. Speaker, I thank you because I am sure you are the only one who really listened at heart.

• (1645)

The Acting Speaker (Mr. Kilger): I do want to take a moment to express my gratitude to the hon. member for Wild Rose for the manner in which he completed his remarks and particularly in reference to an earlier statement made which I think bordered on the questionable side of debate. I certainly compliment and thank him for the manner in which he handled that issue.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, it is very interesting to follow my hon. colleague. Much of what he said and much of what he feels is what I feel.

I do want to speak today at report stage on Bill C–85, an act to amend the Members of Parliament Retiring Allowances Act. I spoke on this bill last month at which time I expressed my concerns and reasons for vehemently opposing this piece of government legislation.

My opposition to this bill is based on certain principles that I as a member of Parliament for the Reform Party hold and advocate. I would like to state these two principles from our blue book:

> We believe in public service—that governments, civil servants, politicians and political parties exist to serve the people, and that they should demonstrate this service commitment at all times.
>
> We believe that public money should be regarded by governments as "funds held in trust", and that governments should practise fiscal responsibility to balance expenditures and revenues.

I mention those principles to the House today because they show us a government that has distorted this process and has flaunted the trust of the Canadian people. Reformers want a fair hearing on this issue.

Today, as we come to this place in which the government has invoked closure on this bill we come with the same outrage that Canadians must feel.

I put to the House as did a witness in the committee the other day the intervention that this bill is bad for the members who sit in this House, it is bad for Parliament and it is bad for the Canadian people.

I will say why I think it is bad for the members who sit in the House. As with many of my colleagues I see around me, we came to the House to help set a new course in government. We came here with the best interests of our fellow Canadians in mind. We came here to bring integrity to the House.

I know many of us work very hard and diligently in this place, but I must say that today that I am ashamed of the pretence of my colleagues on the other side. I see arrogant initiatives that presumably are done in the name of change yet they change very little.

For instance, we see a program with three levels. We have a level of participation in this pension program which is virtually unchanged for those who sat in the House before the last election. I want to remind people particularly in my riding of some of the numbers that would be applied to these members of Parliament. The figures I have are based on nine year terms as ministers, assuming that these people live to age 75.

The hon. member for Sherbrooke, the leader of the Progressive Conservative Party may gain from this legislation a pension of $4.5 million. The neighbour to my constituency, the member for Burnaby—Kingsway, would gain from this legislation a pension of $3.5 million. The Deputy Prime Minister, the member for Hamilton East, would have a pension at age 75 of $2.5 million. This is done by this government in the name of change. Shame on the government.

Then there are the newer members. If they become retreads in the next election, there is still a very wide gulf between them and the Canadians they purport to represent.

According to one of the witnesses in the committee, even as this plan now stands, it is seven times greater than what would be expected in a public sector plan and four times greater than what would be expected in a private sector plan. The government calls this change.

This is bad for members as well who came here with the real belief in change, who wanted to make a difference and to raise the public attitude for this place. Those who decided to reject what has been given to us here are treated purposely with contempt in the sense that we are given the option that all pension benefits are lost to those who choose to reject this proposal.

• (1650)

Once again I am amazed at the arrogance of the members sitting on the other side of the House. I am amazed even in this discussion at their self–righteous indignation when we point out the duplicity of what they are saying.

This bill is also bad for Parliament. As we look at this bill and other bills that have come to this place, we see procedural nightmares and shoddy treatment of the democratic process. It is true that when the original bill which brought in parliamentary allowances came in years ago, all stages of that bill were brought through the House in one day, including committee of the whole. At that time there was no written bill for consideration by the members. It simply was brought in and shoved through. We have not changed much. Is this a place of change? Is this the change promised by the red book?

What do we have with Bill C–85? Last week in committee, a committee that was dominated by government members, we had witnesses who represented real Canadians. We had witnesses who represented professionals in this field who were refused entrance to that committee. The Canadian Taxpayers Federation gained entry to the committee only by presenting itself to the committee and insisting on a hearing.

In that committee there was a lack of notice of the government's intent to proceed to clause by clause after a full day of witnesses. Even after the witnesses said there were many flaws in the bill, it took the government 12 minutes to complete its consideration of that piece of legislation. Over 28 detailed and complex clauses were covered in 12 minutes by the government.

It reminds me of what we experienced in the human rights and status of the disabled persons committee when we were considering Bill C–64 recently. In that circumstance, government once again invoked closure on the clause by clause portion with a five minute limit on each clause. Only four out of the 50 witnesses brought before that committee were from the Reform list of recommendations.

Then the government comes to the House and says there was an overwhelming support for employment equity of all things. Employment equity is the bane of the Canadian people. They do not accept it but this government tries to claim otherwise because the witnesses brought before the committee supported it. I call that a flouting disrespect for this place as Parliament.

Then when this bill came to the House earlier today, what do we get? Government invoked closure along with other bills so that we have a four hour maximum to discuss each of the two stages, report stage and third reading. In that time, we have 40 motions to be considered. Is that not bad for Parliament?

Finally, this bill is bad for Canadians. Underlying this whole debate is a moral imperative. All members, including the members on the other side have received phone calls and letters about this. I have received many. I am sure I have heard from the cousin of the constituent the member for Wild Rose mentioned. Pensioners in distress look at this legislation and say it is morally wrong for government to do this.

How can MP pensions continue to be gold plated under this bill when it is far above and beyond what ordinary Canadians can expect from their private or public sector pension plans? How can this government justify tinkering with the MP pension

plan when the future of the CPP and old age security are at very real risk?

The Canada pension plan is actuarially unsound. The pay as you go system now in place is completely unsustainable. The security of Canadian pensioners is threatened at this moment, yet the politicians in the House have endowed upon themselves security and golden retirement years.

• (1655)

The approach of government security programs for ordinary Canadians has not worked. They are no longer consistent with demographics, expectations, fiscal realities. Canadians know this. They seek to secure their own security.

Reformers have confidence and faith in Canadians. We want to empower them with the resources and tools to plan for their retirement. We reject government bureaucracy, waste and arrogance, especially as we see it in this kind of legislation today.

Government insists that it knows best. Yet it continues to pretend that the debt and deficit have to be shouldered by ordinary Canadians but not the leadership of this country. It continues to let the debt grow by $100 billion in its mandate which will indeed put greater stress on social programs, pension plans, every part of Canadians' lives.

It is true the interest on our debt is probably the biggest threat to the security of Canadians. This government in the meantime continues to outdo the Mulroney legacy with its patronage, with its arrogant closure and with its arrogant pension plan. The arrogance of the government is the biggest threat to Canadians.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I recently learned that the Liberal Party, having decided that Parliament is irrelevant and that parliamentary debate is of no particular value to our society, is also working on a project to redesign the Canadian coat of arms. It will remove the lion and the unicorn and replace them with two fat pigs which will illustrate the triumph of greed over rationality in this country.

This country did not have an aristocracy. People came to Canada to get away from the aristocracies in the old world. However, we have willy-nilly created our own right here in Canada, the political elite, the professional politicians. This is the aristocracy we have voluntarily burdened ourselves with. It is a shame and a scandal.

The hon. Marie Antoinette, the president of the treasury board, tells us that this is the normal thing. This is Canada. This is the future for Canada. There will be this little group of very special people, many of whom have never had a real job in their lives, who somehow or other got elected to Parliament. When they leave this place, through their own machinations they will be allowed to carry away a suitcase full of money. This is wrong. Several hon. members opposite have engaged in the most convoluted rationalizations I have ever heard to justify this massive dip into the public trough.

Mr. Hermanson: And it is not a skinny dip.

Mr. Morrison: Mr. Speaker, do I have to provide my own hecklers? I know there are not many people on the other side.

The rules of the House do not permit me to name the individuals who will be the top troughers in the new scheme as it is being developed. However, I can read the names of their ridings and the total sums to which each of them will be entitled, and I use the word entitled very loosely.

If the hon. member for Sherbrooke lives to the age of 75, he will receive $4.25 million courtesy of the taxpayer. The hon. member for Humber—St. Barbe—Baie Verte will receive $3.86 million. The hon. member for Hamilton East will receive $2.8 million. The hon. member for York South—Weston will receive $2.75 million. The list goes on and on.

• (1700)

No other class of Canadians has a deal like that; no corporate employee, no self-employed person, no farmer. Who on earth aside from our new aristocracy could ever hope to take home a paycheque like that?

One of the major sources of my case work is disabled veterans, pensioners in this, the 50th anniversary of the end of the war. I am dealing with one constituent now who participated in poison gas experiments at the Suffield, Alberta base. He is now paying the price of that in ruined health. He has a lot of problems. His doctor says there is no question that can be traced to the poison gas experiments. He and his wife draw the magnificent sum of $102 a month for his partial disability—shame, shame, shame.

Hon. members opposite say that for their little bits of service here they are entitled to millions of dollars at the expense of the Canadian taxpayer. I am disgusted to the point of regurgitation.

Surely people who pretend they are competent to run a country should be competent to arrange for their own retirement. They make a reasonable salary, as do we. Some of that could be invested to their own benefit. They do not have to take $4 from the public purse for every $1 they put in.

Reformers have put our money where our mouth is, so to speak. We are opting out of this plan. It will cost the hon. member for Beaver River, a school teacher and by no means a wealthy woman, $1.8 million which she would have received if she had agreed to stay in the trough with the hogs.

I opted out of the pension plan the day I signed up with pay and services. I gave a written statement to the effect that I did not want and would not accept it because I felt the old plan was unconscionable. The new plan, the new improved trough, is equally unconscionable. It is time to see a little honour among hon. members.

Why are we here? Did we come here to benefit ourselves? I used to live in the Philippines. I remember a famous remark by one of the senators there when he was tweaked for having his hand a little too deep in the cookie jar. He said what are we in power for if not to enrich ourselves. He must have been a Liberal.

Old line politicians maintain perks are necessary to attract good members. What it has attracted is a bunch of professional politicians, people who have systematically over the last 30 years bankrupt the country and now are expecting a massive payout for their services—some reward.

I hope when the bill goes to the other place there will be some sober second thought, although I do not expect it. Some sober second thought could even have helped here; it could have been killed in committee. Committee was not even allowed to handle it properly. It was whisked through committee with indecent haste. No one had a chance to make serious amendments or to work on it at the time. We will make some amendments in the House, to what purpose I do not know. We know what will happen here, the cabinet has decided. The whip will be lashed and everything will happen according to plan and all the Liberals will go home happy and fat with their suitcases full of money.

• (1705)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I am truly sad to have to speak to legislation as deplorable as Bill C–85, the pension bill.

It could be described with many words. I could use the words ignorant, arrogant, indefensible. I think those words probably describe the authors of this legislation as well but they do not even adequately describe how terrible it is. The words it takes to describe the legislation are unparliamentary; I cannot use them. What really troubles me is the government is embarrassed about the legislation and will not even allow a proper debate.

I sat across the table from the Solicitor General of Canada, the government House leader, and he looked me in the eye and said the government will very rarely use closure. He gave me his word we would see the government use time allocation and closure far less than its predecessor, the arrogant Mulroney regime.

Being a new and maybe idealistic member of Parliament, I took the solicitor general's statement to heart that perhaps we were to see a new era in Canadian politics. Perhaps we were to see some progress in this place where we could work together and build a country worthy of the people we are supposed to represent. I was wrong, terribly disappointed.

The government has introduced time allocation and closure far more than the Mulroney government which it vigorously criticized for that undemocratic procedure. The government has introduced in only 19 months a far greater percentage of closure motions regarding bills than the Mulroney administration. That is deplorable and disappointing.

It is particularly disappointing that the government would use such a draconian measure on a bill that gives us personal gain. It is unconscionable, it is wrong. I cannot think of words I can use in the House to adequately describe how troubled I am by the measures the government is taking and the lengths it will go to impose its will on me as a member of Parliament vigorously opposed to the legislation and on Canadians who in no uncertain terms told every member of the House, Liberals as well as Block and Reform members, the pension plan needed to be reformed to that of the private sector on a one to one basis or a self–funded pension plan.

The government has introduced a bill in which it will not allow future MPs to opt out and which is illegal under the income tax act. It will have to put special legislation in place to allow the plan to be legal. The draconian measures it is implementing to get the bill through are truly disappointing. I feel bad for Canadians who will receive such bad representation and bad legislation from the Liberal government.

I am not sure if NDP members will accept this plan. I challenge them to go back to their roots. They came of an agrarian movement, the CCF movement in Saskatchewan. I challenge them to go back to those roots of simple, hard working people who believed a dollar gained was a dollar that should have been earned, and they would not stoop to the levels this bill would impose on them if they agreed to opt into the pension plan.

To the hon. members for Mackenzie and Regina—Qu'Appelle, Saskatoon—Clark's Crossing, Regina—Lumsden and The Battlefords—Meadow Lake, I challenge them to opt out of the pension plan as the Reform MPs from Saskatchewan are to do.

I will focus my few remaining minutes on the Liberal members from Saskatchewan. At the top of the list is the cabinet representative from Saskatchewan, the hon. member for Regina—Wascana. He was here years ago and has come back. He was put into cabinet. He is a lawyer. I do not think he understands agriculture very well but he certainly knows how to make money on a pension plan because by the age of 75 he will qualify for $1.64 million. He does not even apologize for that outrageous amount.

• (1710)

Then there is the hon. member for Saskatoon—Humboldt. It is rather embarrassing this member was even nominated in her constituency. She had to be anointed by the leader of the Liberal Party. She did not even have support in her own constituency. They had to cancel the nomination meeting and bypass the democratic process so she would be the candidate who would run in Saskatoon—Humboldt. She will receive almost $1 million from the pension plan should she live to the age of 75. That is assuming, and I think it is a fairly safe assumption, she will never become a Cabinet minister. It would certainly be higher if she did.

Then there is the hon. member for Souris—Moose Mountain—

Mr. Szabo: Mr. Speaker, I rise on a point of order. I am quite disturbed that the member would make a personal attack on a member who is not here and impugn somehow that she has done something wrong.

The Acting Speaker (Mr. Kilger): With the greatest of respect, that is not a point of order. I certainly listened to the remarks of the hon. member for Kindersley—Lloydminster and there was no reference to the presence or absence of any member. He was referring to the riding, which is the appropriate way to refer to members in the Chamber.

Mr. Hermanson: Mr. Speaker, this is certainly a very personal matter because the pension affects us. I am trying to abide by the rules of the House and I appreciate your consideration of that.

Should Bill C–85 be passed by the House, the hon. member for Souris—Moose Mountain, a somewhat older member, would receive about a quarter of a million dollars.

Then there is the hon. member for Prince Albert—Churchill River who is a much younger member. Should he live to be age 75 he will receive $.83 million should he remain a backbencher for the rest of his career.

The NDP and the Liberal MPs from Saskatchewan, there are about ten, would have benefits approximating $1 million each. They would siphon out of the taxpayers' pockets approximately $10 million.

In Saskatchewan we are hard working, industrious and honest people. We work hard for our money and we are quite proud of what we have received as a result of our labours. I know beyond a shadow of a doubt that the people of Saskatchewan do not approve of the pension plan. I heard it wherever I went. I had calls and letters from people in my province thanking me for agreeing to opt out of the plan. They said I am doing the right thing. They have been very encouraging. It encourages me to plan the next election campaign not only for Saskatchewan but for the entire country, whenever the government has the nerve to call an election. We will go out there and bring more Reformers into the House who will reject these types of unreasonable personal gains at the taxpayers' expense.

I challenge Liberals from Saskatchewan to do the right thing and get out of the plan. They can, they have the option, they do not have to stay in the plan, not one of them. If they want to really please their constituents I know beyond a shadow of a doubt they have no choice but to get out of the pension plan. I commit to the House today to do everything in my power to keep them from being re–elected if they do not do the right thing and opt out of the plan.

[*Translation*]

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I have been listening for a few hours to the remarks and sometimes even the flights of fancy of Reform members, and I would like to remind this House that the Reform Party is against employment equity, against the fact that this Parliament includes women and treats its members equitably.

[*English*]

Miss Grey: Mr. Speaker, I rise on a point of order. I would like to make a comment about the hon. member's remarks that we are against women and looking after retirement—

• (1715)

The Acting Speaker (Mr. Kilger): Again respectfully I say to the member for Beaver River that it is not a point of order. Certainly it could be a point of clarification or it could be a matter of debate but it is not a point of order.

[*Translation*]

Mrs. Ringuette–Maltais: Thank you, Mr. Speaker. The members of this House who have been here for more than a year should be quite familiar with parliamentary procedure. If the hon. member wishes to respond to my comments, she is welcome to do so, but not by rising on a question of privilege, as she just did.

In the old days, members of Parliament belonged to the financial elite of Canadian society. The Canadian people eventually rebelled and decided that those showing leadership in each of their communities—regardless of social and financial status, age and gender—were entitled to adequate compensation for their work so that they could represent the people properly.

In 1987, I was elected to the New Brunswick legislature for the first time at the age of 31. As in all the other legislatures, there is a pension plan for the people's representatives in the legislative assembly. In 1993, one year before having accumulated all the accrued credits for the Government of New Brunswick pension plan, I chose to run in the election to represent the people of Madawaska—Victoria in this Parliament.

Unlike some Reform members, I do not have an already established provincial pension fund and cheques coming in every month. Neither do I have millions of dollars in the bank or an armed forces pension like certain Reform members. Judging by the hubbub coming from that direction, it sounds as if I hit a very raw nerve in some of my hon. colleagues.

I would also like to remind this House that a Reform member who is a millionaire is rumoured to have said that members of Parliament, in Canada, are not paid what they are worth, and that they should be paid at least $150,000 per year. Again, whatever the topic of discussion, be it members's pensions, official languages or what not, there is this great flip flop. Name the topic, listen to the speeches, and you will notice this flip flop.

I would like to come back to a very sensitive issue that I am committed to, and that is to ensure that, in any election, the people of Canada, from coast to coast, can vote freely, without social, financial or fiscal status considerations coming into play, for the person who can best represent them proudly and honestly in this place. It is the least we can do, as Canadian parliamentarians, for the people of Canada.

• (1720)

I must say in all honesty that, as the member for Madawaska—Victoria, when I look at the work I am doing for the people I represent, I have no qualms of conscience whatsoever about the salary, pension or what not I get from the Parliament of Canada to serve the people of Madawaska—Victoria.

I hope that, even though they are against employment equity, my hon. colleagues from the Reform Party, will be honest and recognize that. I would call upon the hon. member for Lethbridge in particular to rise in this House today and say: "Now that I am no longer a provincial member of Parliament, I relinquish the pension I earned as a MPP. I relinquish this money I am putting in my pocket every month right now". I also call upon him to be true to what he believes in and honest with the people he represents.

[*English*]

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, we do not have much time left. I am not sure how much time it will take to try to talk some sense into this false debate.

We have looked at the pension program that has gone on for years in this place. People stand and say: "I have no problem with the pay that I get or with the pension that I am going to get". May they realize that when they say they are worth it that is fine in their estimation; maybe they think they are worth it. We will see what the voters think they are worth at the polls the next time around.

When we look at a pension plan which is simply seven times more generous than any public sector plan and four times more generous than any private sector plan, how in the world can anyone stand in their place and not be ashamed of it? Why are we any more special?

Are we in favour of special status for some? No. That is why the Reform Party came to this place. We do not think groups of people should have special status. Yet we hear people inside this hall saying: "We deserve it. We are worth it because we work hard". It just does not add up.

I see my friend from Edmonton East here. I want to make a comment about that. Is this person going to opt out? The government has allowed members of Parliament elected in 1988 and forward to opt out. Why only some of us get the option to opt out I do not know, unless it is politically motivated. I am challenging her to opt out of the pension plan because she cannot sell it in downtown Edmonton. Our ridings abut. I challenge her to a debate in my riding or in hers. We will take on toe to toe. We will talk about this pension plan. I will bet my pension plan that she will not be able to sell it there.

Not only that. I challenge my friend from Edmonton North as well who thinks that he is able to collect a plan. I am challenging him today, and I have some respect for him, to opt out of the plan because he will never sell it in Edmonton North.

I am challenging my friend from Edmonton Northwest to opt out of the plan too because she has the option to opt out. She does not exactly have a huge healthy majority with which she slipped into this place. I think the last count officially was that it was by 11 votes that she came into this place. I challenge my friend from Edmonton Northwest to a debate, as I do my friends from Edmonton North and Edmonton East, in my riding or theirs. I will be happy to do it. I land in Edmonton every week at the Edmonton airport before I drive three hours home. I challenge her to a debate. I also challenge her to opt out of the plan willy–nilly, just do it. If ever she has a hope of getting re–elected, even with her cabinet money that she is able to throw into it, just do it. She should not just think about it but just do it. I ask her to come to Beaver River and have a debate, or I will go there and have a debate. I guarantee I will get off at the municipal airport. It is right handy there. Let us have a debate toe to toe.

• (1725)

The longest serving MP in the House from Alberta is my friend from Edmonton Southeast for whom I have an incredible amount of respect. I am challenging him as well to opt out of the plan. There is no technical way he can do it because of the way the legislation is written. Only members elected in 1988 or beyond are able to do it. Edmonton Southeast, I will be there for a debate on the pension plan, or he can come to my riding, any

place any time. I will get off the aeroplane in Edmonton. Let us have a debate and see how it goes.

The member who just spoke before me tried somehow to drag in employment equity or the fact that as a woman I am hard done by in this place. There are many women in this place and there is no way they are able to justify the pension plan regardless of gender, race or ethnic background. Absolutely not.

I am being heckled by two rookie female MPs. The third one is not making any comments at this point. However, as I stand here as a women I tell not only these members but every Canadian woman that I will make it on my own and that as a woman I do not need special treatment—

Mrs. Ringuette–Maltais: Mr. Speaker, I rise on a point of order. I would like to say first that I am not a rookie. Second, I have been challenged to—

The Acting Speaker (Mr. Kilger): With the greatest of respect to all my colleagues, again this is not a point of order. All these matters might be taken up at another time and another place.

Miss Grey: Mr. Speaker, try as they might through points of order, through heckling or whatever, let me rephrase my last statement. I am a woman in Canada and I am proud of that fact, but I do not need to claim any extra treatment or special status for the fact that I deserve somehow an MP pension. I do not.

If we talk about employment equity, let me be equal with every other woman in the country who will receive a pension plan that is fair, just the way every other Canadian does it. I do not need that special treatment because I am a woman. Neither do they. It is as simple as that.

Let me just finish by saying that I was disappointed in what I have seen in this debate. When I was listening to the debate as it was going on and when I heard time allocation being invoked today it made me sad. I sat and had coffee in the last Parliament. It was not with these rookies or first term members. You were there too, Mr. Speaker. We visited and said that if the Liberals got into power or if they became government next time we would not see the same arrogance we saw in the Mulroney years.

I see someone standing to get my attention. I appreciate that so much but she is not being recognized. She should sit down and relax. I know this hurts.

The Acting Speaker (Mr. Kilger): I did not hear anyone asking to rise on a point of order. Unless the member for Beaver River has completed her remarks, I would not recognize anyone else on debate. 5:30 is coming up.

Miss Grey: Mr. Speaker, 5:30 is coming up and so is the next election. I challenge all these people. I have watched the debate today and saw people trying to defend something which is simply indefensible. The Canadian public is watching today and I bet it is scandalized. Who pays for these pensions anyway? It is the people who are sending in tax money.

They talk about: "the government looking after me because don't you know I have given service, years, time and energy to this place". Nobody forced me to do it. I chose to be here as did all of us, which was the best thing we could do. When we think about the people who are sending in every dollar of their tax money and financing this thing it is unbelievable.

After question period this afternoon some farmer from the area—I do not even know who he was—brought a little truckload of piglets up here and there they were, Liberal MPs right in at the trough. It is terrible to have to denigrate a little piglet that way but that is the way it is.

As I saw those little piglets I said to the interviewer: "How do you feel about this?" When I see Liberal members, because that is who is bringing this bill in and ramming it through, forcing this through, saying they deserve better, they think they are wonderful and it is unanimous; it is a pity to see them squealing and trying to justify this. With that the little piglet let out a squeal. It made me think I was sitting in the House of Commons. It is shameful and a price will be paid in the next election, believe me.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved that Bill C–301, an act to amend the Criminal Code (violent crimes), be read the second time and referred to a committee.

He said: Mr. Speaker, Bill C–301 is the culmination of a commitment I made to my constituents in Esquimalt—Juan de Fuca in 1993. I made a commitment to bring the bill forward in the interest of public safety for them and for all Canadians from coast to coast.

I am disappointed the bill was not made votable considering the fact it has a precedent in the United States where it has been passed and enacted in over 26 states. It is commonly called the three strikes, you are out bill to deal with violent offenders, repeat violent offenders.

The hallmarks of justice are the protection of society, restitution to the victim, rehabilitation and protection of the individual. The bill comes as the culmination of the public outrage I hear not only in my riding but from police officers across the land from coast to coast. It is an area where they feel the justice department does not protect them. It does not protect them from individuals who continually fly in the face of the norms of

human behaviour, instead exhibiting extreme human behaviours that show a total disregard for innocent people.

Bill C–301 deals with those individuals who on three separate occasions commit a violent offence that will put them in jail for 25 years without parole. Again, the purpose is to protect innocent civilians. Too often innocent civilians are not protected in society today.

Mr. Speaker, we seem to have two debate going on here which is very intriguing.

The Acting Speaker (Mr. Kilger): Order. I wonder if I might seek the co–operation of members to take other business behind the curtains or outside the Chamber.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I would like to read some statistics from the United States. According to the FBI index, this is very interesting—

The Acting Speaker (Mr. Kilger): I have a point of order from the hon. member for Madawaska—Victoria.

* * *

POINTS OF ORDER

ALLEGED PHYSICAL ASSAULT

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I would like to have an apology from a certain member who just came over here, tried to bully me around and actually physically pushed me. That is not the kind of respect we should receive in the House.

• (1735)

The Acting Speaker (Mr. Kilger): I am aware a conversation was going on. I say with the greatest respect to the hon. member for Madawaska—Victoria, who raised the point of order, I do not see it as a point of order. I am trying to think of another way that we may be able to deal with this point.

I wonder if the Chair could be given some time to give some thought to the matter. I would encourage the member also to seek the guidance of the Speaker's office. We can return to this matter some other time. At this time, to the best of my knowledge and ability, I say respectfully, that I do not see a point of privilege.

Mrs. Ringuette–Maltais: Mr. Speaker, I think that—

The Acting Speaker (Mr. Kilger): Let us just take this very slowly. While I am standing you can speak all you want, but it is not being recorded. If there is something new to be added to the point of order I will listen but I hope we can be somewhat succinct and concise and the matter can be dealt with at the appropriate time in the appropriate fashion. I firmly believe at this time there is not a point of order.

Mrs. Ringuette–Maltais: Mr. Speaker, the member in question was the member for Beaver River and it was an assault on me.

The Acting Speaker (Mr. Kilger): Again, I do not rule that there is a point of privilege at this time. I will give an undertaking to the House that I will seek the guidance of the Speaker's office concerning the matter being raised. I encourage the parties involved to do likewise because I do not feel at this point, as far as I can judge, there is a point of order.

The House will return now to private members' hour.

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CRIMINAL CODE

The House resumed consideration of the motion that Bill C–301, an act to amend the Criminal Code (violent crimes), be read the second time and referred to a committee.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I hope I will have the full 20 minutes due to me.

The purpose of my bill is to protect innocent civilians. Too often in our justice system, as we have seen over the last few years, the rights of innocent civilians have often been subjugated to the rights of the criminal. The bill will give firmer sentencing guidelines to the courts because they are not being acted on as they should be.

The definitions of the crimes involved in the bill are such that rape, attempted murder, sexual assault, manslaughter are all to be considered as serious offences committed if they are committed on three separate occasions in order to get a conviction and to have the three strikes and your are out bill applied.

I will state a few facts from the United States and why I thought the bill should be votable and show how effective it has been down there.

According to the FBI index high rate offenders commit almost 18 times as many crimes per year, including two violent offences per year. The typical low rate offender commits one serious crime very two and a half years as compared to seven per year for high rate offenders. Thus, it is easy to see how an enhanced repeat offender law would actually work to the benefit of all citizens in our country. I hope this will be enacted in the future. I will give the House the opportunity to do that.

Again, the benefits are for the protection of society, to deter repeat offenders and yes, to save money. The argument can be put forward in Canada that this is going to cost us more. I will show the House the bill will save the Canadian public a lot of money.

• (1740)

In the United States this bill was passed in over 26 states in various forms. The people have overwhelmingly voted for it, as they requested in my riding. They have shown an extreme cost benefit ratio in the order of $5 to $1. In other words, the cost of the bill and the management of it, has a cost saving of $5 to every $1 of implementation.

The benefits come from decreasing repeat offences, the lack of victims, the decrease in costs of prosecutions, the decrease in costs of appeals, not to mention the overwhelming humanitarian aspects of saving innocent people from being subjected to violent offences.

To this effect the preliminary reports from California and other states show that there has been a dramatic decrease in violent cases so far. I will give some examples.

Governor Pete Wilson in California signed its bill in early 1994. California has roughly the same number of people as we do in Canada. In the first nine months of its bill, California has shown a dramatic decrease in the number of violent offences.

The argument that it will cost us a lot of money I do not think fares well. These statistics come from the states. It would be a benefit to the justice committee to actually look at this, do an analysis in Canada and determine once and for all whether we are going to derive a cost benefit from enacting this bill.

The three strikes and you are out bill is not the only thing we can do because crime prevent is a multi-factorial endeavour. I will put forward some hard points, one after another. I hope the justice committee and the minister at least take heed of them.

Integral to crime is crime prevention. In my experience working in jails both as a correctional officer and as a physician and those who have worked in jails and who have been in them say that crime prevention does not work.

We have poured a lot of money into crime prevention but it has been ineffective. We have had a few cases when we have been effective in doing this but by and large, we do not get the best bang for our buck through this.

In order for us to build a healthy society in wich individuals will not commit crime, our best prevention is building the pillars of a normal psyche to ensure people will not commit crimes in the future. It is not a guarantee, I admit, but it certainly is an insurance.

We have to go back to early childhood education to ensure that children are being informed of what we consider to be normal understanding, what is normal conflict resolution. These things are very important.

They must also learn what drug abuse, sexual abuse and all these things are. It is very important to train these children early because once they get into the teenage years, it is virtually impossible to teach them self-respect, respect for other people and appropriate conflict resolution techniques. These must occur early. We take this for granted but I would submit that many children are not learning this. They are not getting it in the home because many times the parents themselves do not know it.

I hark back to an earlier speech that I made on an experiment performed at Columbia University where the parents were brought in with the children to teach them the building blocks of a normal psyche.

Second, it is work for incarceration. There is no reason why individuals who are incarcerated cannot work for their upkeep. Use this in conjunction with skills training and it would also help decrease the recidivism rate, which is extremely high in our penal institutions.

Third, we have worked in our party for putting capital punishment to a binding national referendum. Give people the choice whether they want capital punishment as a part of our society.

Fourth, I ask every member in the House to support the private members' bill of the member for Surrey—White Rock—South Langley. That bill would enable lawmakers to actually keep individuals incarcerated who are deemed a danger to society on release.

• (1745)

Right now I can tell the House from personal experience that there are individuals who are dangerous to society and they are let go because the current laws do not enable the jails to keep them incarcerated if they are mentally competent. They can be deemed a dangerous offender at the time of sentencing, but not subsequent to that. That is what the private member's bill of the hon. member for Surrey—White Rock—South Langley will correct. In the interest of public safety, every member of the House should vote for it.

I will mention some of the frustrations the police forces in the country have. I was speaking to a police officer not long ago and he said they should be telling every police officer who enters the force they have handcuffs and those handcuffs are the charter of rights and freedoms. The charter of rights and freedoms handcuffs our police officers from doing their job. I would ask that the House look at revoking the charter of rights and freedoms. We have a code of human rights, which protects the human rights of every individual, and that is adequate. It worked before the charter, it works now, and it will work in the future.

The charter of rights and freedoms merely lets criminals and lawyers look for loopholes so that criminals can be released. Justice is somehow lost in the equation. Right and wrong are lost. They are lost and subjugated to legal points of order.

For example, let us look at the Paul Bernardo case, which is now being heard. It never ceases to amaze me that in this case, where we have an individual who on videotape has been shown committing the most heinous of acts, we have to go through a four–month to six–month court case. Why are we doing it? Because the defence is looking for procedural irregularities that will let this individual off. Is that right? If it happens in this case it will happen in other cases.

This murder case is very interesting, because it brings a number of other issues to the fore. I again ask the minister to look at the aspects of the videotapes that have been presented in this case. Was it fair to the families? Was it fair for them to have to fight with their own money to prevent those videotapes from being shown publicly? It is not a right of the public or of the media to have access to those videotapes. They can only be used to hurt and harm the families, who have already been victimized. There is no law to protect them right now.

I ask the minister to look at this case and to enact legislation that would protect the victimized families in the future. We do not want a repeat of the situation being faced by the families of Kristen French and Leslie Mahaffy.

I would look at revising procedures in the courtroom. Currently justice in our courtrooms grinds to a halt. Part of that has to do with adjournments. Defence and prosecution alike continually put forth adjournments that make court cases so long they are eventually dropped and the accused persons go free because too much time has passed. I ask the minister to look at this and determine how many adjournments are allowed for a person to have a fair case. We could look at limiting adjournments.

Another aspect is disclosure. We need fair and honest disclosure by both the defence and prosecution.

Another aspect is the use of preliminary hearings. They are much abused. Preliminary hearings in cases such as murder trials are not required. All that happens is that the same evidence is repeated. There would be a significant cost saving if preliminary hearings were eliminated in certain cases.

With respect to the Young Offenders Act, we should publish the names of young offenders. I know from working in a young offender penal institution that many of them think it is a joke. There is little or no deterrence to prevent young offenders from continuing to commit acts against innocent victims. There is very little punishment and there is very little deterrence. One simple thing that can be done is to publish the names of those young offenders who are committing these acts.

• (1750)

Another aspect I would like to bring out is that in my experience in working with young offenders the recidivism rate is extremely high. It costs us almost $100,000 per young offender per year to keep them incarcerated. Yet the recidivism rate is over one–third. That patently speaks for itself. It does not work. We need to look at a different model.

We need to pull young offenders out of these closed custody cases of putting them in for three months or six months. After that they go back to the same environment they were in before. We cannot undo 12, 14, 15 years of being in a situation that is patently self–destructive where they have witnessed sexual abuse or have been a victim of sexual abuse, violence, drugs, alcohol abuse, and expect them to be changed in three months or six months of closed custody. No matter how much counselling you put forth, it simply is not going to work.

Why do we not look at putting them in closed custody camps away from cities? There are some examples in northern British Columbia. We should put them away not for a few months but for a year or two years and focus on them working for their incarceration, focus on education, focus on skills, focus on discipline, focus on them learning the skills necessary for them to work as productive members of society. They are certainly not learning it now in the youth areas we have.

Legal aid is the fastest growing aspect of our justice system now. There are many abuses in it. I ask the justice committee to look at the legal aid situation we have now, look at the abuse that is taking place, and look of ways of changing that. If we are pouring money into this we are taking money away from the other functional aspects of justice.

Gun registration does not work. It has never worked anywhere. It is not going to work in the future. It will take money away from the functional aspects of justice and put it into an area that simply is proven not to work. This will be counter to what the minister intends; it will make our streets less safe than they are. That was not the intent. I plead with the hon. minister to not enact this legislation and please listen to what we have been saying in the Reform Party. Enact the good laws that are to be in that bill against those who are committing criminal acts with firearms, but please do not make our streets less safe by enacting gun registration. It will not work.

In summary, the three strikes and you are out bill is but one arm of what we can do to make our streets safer. The purpose of the bill is to get violent offenders, those individuals who have proven to show a flagrant disregard for innocent civilians, off the streets and protect society.

We in Parliament have to stand up for the innocent civilians. We have to stand up for their rights. We have to ensure their rights will not be subjugated to the rights of the criminal. That has been going on for too long. It cannot continue to go on. We must ensure innocent people will be protected. That is the purpose of justice now. It is the purpose of justice in the future.

With permission, Mr. Speaker, I ask for unanimous consent of the House to make my bill, Bill C–301, votable.

• (1755)

Miss Grey: Mr. Speaker, on a point of order, I do not want to take up much of the House's time. Earlier I was named by the member for Madawaska—Victoria.

After the pension debate I did go over. I had challenged members to a debate, so I went over and we did have a rather heated discussion, I must confess to that. The member told me that I was not worth what I thought I was worth and that we could have a debate any time. That was fine. Then when we got rather heated she turned around to go back to her seat after she had called me a name and I just grabbed her and said "Come on, be real". I thought she was tripping off the step.

As I was named, I thought I should get up and say that this is ridiculous. Let us move on with the country's business.

The Acting Speaker (Mr. Kilger): I say respectfully to both parties I ruled at the time and continue to rule it is not a point of order.

Let us go back to the matter of the private members' hour and the motion from the member for Esquimalt—Juan de Fuca, who at the end of his intervention was asking the House for unanimous consent to make his motion votable.

Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Kilger): Resuming debate, the hon. member for Halifax West.

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I agree with some but certainly not all of the comments of the hon. member for Esquimalt—Juan de Fuca.

We should look at what Bill C–301 does. First, it would apply when an accused has two previous convictions for any of the 15 offences listed in the bill. Bill C–301 eliminates discretion of the court in sentencing the offender for the commission of a serious indictable offence.

I understand that violence in our society is an important problem, and I do not disagree with the intent here, but let us look at this for a moment. This response has some attractiveness; it is certainly simple and seems to be a very clear response. Is it the right answer to this problem?

It is true that all human institutions have human failings, so our courts are not perfect. However, by and large, if I read through decisions and look into the depth of the cases, I and most people also would find the same things, that we agree with the sentences if we actually have all the facts before us. One problem is that very often we only have a few very simple and limited facts about the case and the decision. Sometimes it seems the simplest answer is sometimes also the wrong answer.

It is noteworthy that all the offences listed in this bill already carry the maximum sentence of life imprisonment. In other words, the judge already has the power to impose life sentences for any one of these offences, let alone for three. Although he does not have to, he has the authority to do so, and to take into account various factors in deciding on the appropriate sentence. This reflects the basic principle of let the punishment fit the crime. And it should. It means the key decision maker in matching the penalty to the crime is the individual who was there to see the case and all the facts of the case, the judge.

I know we will hear the argument that a pattern of three serious offences is enough to prove that an automatic life sentence does fit the crime, or at least the pattern of crime. To make a life sentence mandatory for offences other than murder or treason is a significant and I think ill–advised departure from our criminal law.

The Criminal Code currently provides for a mandatory life sentence for first or second degree murder or for high treason. There are other mandatory minimum sentences, but they are the exception in our criminal law. Mandatory life sentences are extremely rare.

I refer my colleagues to the report of the Canadian Sentencing Commission, "Sentencing Reform in Canada: The Canadian Approach", chapter eight, in which the commission opposed mandatory minimum sentences on the grounds that they diminish the role of the judge and can therefore result in arbitrary punishment and other inequities.

As an alternative to mandatory minimum sentences, the commission set out a number of sentencing principles, including this statement at page 154 of its report:

> The paramount principle governing the determination of a sentence is that the sentence be proportionate to the gravity of the offence and the degree of responsibility of the offender for the offence.

• (1800)

It seems to me that is as it should be. From Bill C–41, the sentencing bill now before the House, I refer to section 718(1): "A sentence must be proportionate to the gravity of the offence and the degree of responsibility of the offender". The government is already adding that provision to the law with Bill C–41.

The reason for not removing the court's discretion to determine the sentence length is both sound and straightforward. The court should have the ability to consider both aggravating and mitigating factors that will help the criminal justice process impose the punishment that fits the crime.

The sentencing commission report sets out a long list of such aggravating factors at page 320, including the use of violence in the crime, existence of previous convictions, a manifestation of excessive cruelty toward the victim and other factors. Bill C–41 similarly acknowledges the importance of aggravating and mitigating factors in sentencing.

It is apparent with respect to the offences listed in the bill the court already has the authority to consider past offences as aggravating factors and to impose a life sentence for any of the offences listed in this bill.

The hon. member has tried to confine his three strikes model to a limited number of indictable offences and thereby avoid some of the excesses of the American statutes. He has succeeded only in narrowing the focus of Criminal Code offences that already carry a maximum life sentence.

Supporters of the bill will argue it is the pattern of offending that makes the difference, that requires this drastic change in our approach to sentencing. Let us examine the objectives of sentencing. One of the purposes of criminal law is denunciation through punishment. Nothing is achieved from the point of view of punishment by making a life sentence mandatory for three offences as opposed to allowing the court to consider all relevant factors in imposing sentence which can be life for any of the 15 listed offences. It seems likely such a pattern of repeat offending would lead the court to consider a very long sentence for any of these serious crimes.

The other purposes of sentencing include deterrence and the long term protection of society against criminals likely to reoffend. From this perspective, Bill C–301 casts too wide a net in its indiscriminate approach to patterns of offending. Would it not be better to tailor a law to the actual conduct that shows a likelihood of reoffending violently? Can we not focus on the circumstances of the offence, on the offender's mental state, on the brutality of his actions, all factors that evidence a continuing threat to the community?

We have such a law found in part 24 of the Criminal Code, dangers offender sections. This part specifically allows the court to impose an indeterminate sentence for a pattern of serious personal injury offences as defined in section 752 as follows:

> An indictable offence, other than high treason, treason, first degree murder or second degree murder, involving, (i) the use or attempted use of violence against another person, or
>
> (ii) conduct endangering or likely to endanger the life or safety of another person or inflicting or likely to inflict psychological damage upon another person, and for which the offender may be sentenced to imprisonment for ten years or more.

A number of particular sexual offences are also included in the definition. This approach to patterns of offending allows the court to link past offences and violent conduct to a prediction that the offender constitutes a threat to the life, safety or physical or mental well–being of other persons.

The court is also required to hear psychiatric evidence and dangerous offender hearings allow both the prosecution and the defence to introduce evidence about the potential threat posed by the offender to the community. Those are good opportunities to hear what threat there is and the reasons for a long sentence. This structured approach contrasts with the automatic life sentence this bill would impose.

I recommend we let the courts do their job. The Criminal Code already provides for life sentences for these 15 crimes and additionally sets out a dangerous offender procedure which targets patterns of violence and links such patterns to predictions of violent reoffending.

• (1805)

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, we are back in the jurassic era. The Reform Party, particularly the hon. member for Esquimalt—Juan de Fuca, has outdone itself. Did his riding's proximity to California have such a major impact on the hon. member? Bill C–301 is nothing but a substitute for California's "three strikes and you are out" law.

I understand that the professional baseball strike lasted a long time and that fans missed the action. But to introduce professional sports rules into criminal law is something else. This is the figment of a wild, even dangerous imagination.

I asked myself what could possibly have inspired the hon. member for Esquimalt—Juan de Fuca. Certainly not inmate rehabilitation, crime prevention or community integration programs. What then? The answer is simple. There was no need for me to rack my brains. It is repression. One of the inquisition party's favourite phrases is, "Let us lock up criminals and throw away the key".

If they are to be believed, we have been in a full–blown crisis for a long time. The true crisis is the disinformation crisis which has been in effect since the Reform Party was elected. Its members make questionable comments on crime in this country, manipulate statistics, and engage in scaremongering. Their

anecdotes are isolated cases that do not reflect the reality around us. They try to make cheap political capital out of tragic situations.

I remember that, just recently, the hon. member for Crowfoot exploited the tragedy that took place here in Ottawa, in which two young children were shot and killed by their father, who used a hunting rifle, as their seven–year old brother looked on helplessly. Imagine that, while talking about gun control, the hon. member from the Reform Party had the gall to say that gun registration could not have prevented that tragedy.

It could certainly be said that the Reform member is a whiz at recycling news, but has no regard for the pain and suffering of survivors. This is how the Reform Party deals with the events affecting us.

The same analogy can be applied to the hon. member for Esquimalt—Juan de Fuca's explanations regarding Bill C–301. The recipe is simple. Take some nice fat jailbirds. Add some spicy tabloid news and a few drops of exaggeration. Brush with empty rhetoric, taking care of never letting any rehabilitation into the mixture. Mix all ingredients together, hoping that your audience is so confused that it might agree with you.

If I am being cynical on such a serious subject, it is because I want to show how distorted the examples used by Reform members are. According to the inquisition member, parole standards should be abolished, and we should treat offenders like cattle by cramming them into correctional institutions that are already overcrowded.

Let us now look at the Reform member's source of inspiration. California's "three strikes" law went into effect last year. This law provides for very harsh sentences against any repeat offender already convicted twice of relatively serious offences.

• (1810)

Like Bill C–301, California law requires the judge who convicts a person for the third time to sentence this person to life imprisonment without possibility of parole for 25 years. Think for a moment how outrageous such a legislation would be. The judges will no longer have any latitude, since the act is taking away any discretion they used to have. Sooner or later, this is bound to lead to absurd decisions.

Let me illustrate this with an example. In March, a 27–year old man was prosecuted for stealing a slice of pizza from a group of teenagers and sentenced to life imprisonment. The facts are quite simple: he stole a slice of pizza from a group of young people between the ages of 4 and 14 in a restaurant in Redondo Beach, California.

Because he had a record and was therefore a repeat offender, the offender came under the three strikes act and the judge had no other choice but to sentence him to life imprisonment without any chance of parole for 25 years.

That is the logic behind the proposal made by the hon. member for Esquimalt—Juan de Fuca. Repression and punishment are the only two ways the Reform Party has found to control crime. With legislation like the bill introduced by my Reform colleague, what happened at Redondo Beach could well happen here; the situation may not be as absurd, but it could be just as dangerous. It is more than likely that a 19–year old offender would be sentenced to life for robbing a convenience store. In fact, robbery is included in the list of offences mentioned in the schedule proposed in Bill C–301.

Let us look at the type of offences for which three convictions would buy a one–way ticket to the pen for a very long time. There is piracy, hijacking, endangering safety of aircraft in flight, using explosives. Whatever my hon. colleague's views on the matter, these offences are already liable to life imprisonment.

I find it hard to imagine that someone would be able to commit this type of offence three times in his or her miserable life, as he or she could have been sentenced to life twice already before committing a third offence.

I have nothing to say about the other offences listed, except maybe to mention that they are generally considered disgusting and reprehensible. I cannot overlook however the case of robbery. This offence is on the fateful schedule. Its inclusion will cause such prison overcrowding that it is hard to predict the implications. Again, this is an offence already liable to life imprisonment. But very few individuals serve full sentences because, objectively, the seriousness of such an offence does not justify life imprisonment.

If the circumstances surrounding the offence did warrant such severe punishment, Bill C–301 would indeed be superfluous, since the offender would already have been sentenced for life. How many life sentences can one serve consecutively? As far as I know, unlike cats, we only have one life.

The schedule of offences provided for under this bill lists 15 or so major offenses. Naturally, I would have no sympathy for any individual sentenced three times for any of them. Quite the contrary, I am of the opinion that repeat offenders do not deserve preferential treatment, but it is a different matter altogether to put them away in penitentiaries under the pretext that this makes our streets safer. Society will always be better served in the end through rehabilitation programs suited to the various offenses. Close supervision is the key.

Too many offenders were paroled before they were ready to reintegrate society and went on to commit a subsequent offence.

• (1815)

Increasing the prison population will necessarily increase the related costs. Will the hon. member have the honesty to tell taxpayers how much his bill will cost us? We know that the average cost of keeping an inmate in a maximum security institution in 1992–1993 was as much as $56,000.

It is my opinion that the three strikes, you are out rule should apply to hon. members in the House: after tabling three bills like the one before us today, an hon. member should automatically be sent home for life.

The Acting Speaker (Mr. Kilger): Dear colleagues, I would like to inform you that the Chair has received notice of a question of privilege. I give the floor to the hon. member for Madawaska—Victoria.

* * *

PRIVILEGE

MEMBER FOR BEAVER RIVER

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I raise this question of privilege and would like to inform you that if the Chair determines that this is a *bona fide* question of privilege, I am prepared to table the usual motion to refer the issue to the Standing Committee on Procedure and House Affairs.

[*English*]

I would like to refer to Erskine May's *Treatise on The Law, Privileges, Proceedings and Usage of Parliament*, 21st edition, p. 126: molestation, reflections and intimidation.

> It is a contempt to molest a member of either House while attending the House, or coming to or going from it. The Commons on 12 April 1733 and the Lords on 17 May 1765, resolved 'That the assaulting, insulting or menacing any member of this House, in his coming to or going from the House, or upon the account of his behaviour in Parliament, is a high infringement of the privilege of this House, a most outrageous and dangerous violation of the rights of Parliament and a high crime and misdemeanour', and on 6 June 1780 the Commons resolved 'That it is a gross breach of the privilege of this House for any person to obstruct and insult the members of this House in the coming to, or the going from the House, and to endeavour to compel members by force to declare themselves in favour of, or against any proposition then depending or expected to be brought before the House'.

It goes on to say in the second paragraph:

> To molest members on account of their conduct in Parliament is also a contempt. Correspondence with members of an insulting character in reference to their conduct in Parliament or reflecting on their conduct as members, threatening a member with the possibility of a trial—

Earlier this afternoon after the speech by the member for Beaver River, I went to talk with my colleague from Mississauga South. At that time the member for Beaver River came over and challenged me to a debate in my riding. She wanted to know when I was available. I said I was probably available all summer, that I would be in my riding. She said she would be contacting my office.

Afterward in the discussions, I reinforced what I had said earlier in my speech that as the federal representative for the population of Madawaska—Victoria in regard to the remuneration, the pension and whatever other compensation Parliament allocates to me, I truly believe that I am worth it. It is her problem if she does not believe that she is worth it. The discussion escalated to a point where, Mr. Speaker, I think you rose.

• (1820)

At the same time, the whip from the Reform Party came behind the curtains and told us to bring the level of discussion down. I told the whip to take the member for Beaver River away from where I was standing. I turned to go back to my seat. It was not a question of my falling; I was turning to go back to my seat in order to end that discussion. At that time the member grabbed me by the arm.

Mr. Speaker, I have been a parliamentarian since 1987. I have never, either in the House where I was sitting, outside the House or in my riding, ever received any such physical threat.

I do wish, Mr. Speaker, that you will be ruling on this as soon as possible because I find that absolutely no member in this House, whether a man or a woman, should be assaulted physically. I was sent here to speak my views and the views of my constituents. That is what Parliaments are all about, to speak and to discuss. This is not a boxing match. I do wish that you will rule very soon on this point of privilege.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I do hope we can address this now and clear it up just as quickly as possible.

The member is right. I did go over and we did have a rather heated exchange about whether I would come to her riding. When she told me to get out of here and my whip said to call it off, she told me to get real and to get out of here. She said that she turned around to go back to her seat and she did. However, as it was a heated exchange, she did turn around. I was on one step higher than she was and she whirled around and I grabbed her elbow and said: "Come on, let's be reasonable here".

I do apologize for that. I certainly did not mean any harm or assault. I am twice her size. It is just foolishness to think that. I do apologize if she thought there was any intention of an assault. However, this is now on the floor of the House of Commons. I might just mention that in my short discussion of this afterward, and it seems unfortunate that we have to take up House time with this, the member for Huron—Bruce said: "I was here and this is

crazy. I cannot support her in this. This is hardly what we would call an assault".

Mr. Speaker, again I publicly say that is what happened. I absolutely meant no harm or any threat as the member has said. We need to get on with this. Again, I do accept the challenge she has issued to me. I certainly would be willing to go down to her riding and will be in contact with her staff to see if we can get a good political debate going. Or she is certainly welcome to come to Beaver River and we will talk about that.

The issue here is the fact that I did take her arm but it was certainly not a threat. It was something that just happened. When she whirled around in a great hurry I did grab her right elbow and I certainly acknowledge that. I appreciate the fact that we can move forward from this. Certainly when we get into the heat of political debate, it is unfortunate it is the MP pension plan which escalated to this height. However, I trust that we can certainly put this behind us now and move forward.

• (1825)

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, on the same point of privilege, I willl make some comments as I was a witness to what occurred in this incident.

I did go over and I noticed you were standing. I asked the two members to lower their voices because it was getting a little bit loud and it was hard for other members to listen to the debate that was going on.

The member for Madawaska—Victoria is going to great lengths to build a case. I believe with all due respect, and I do not want to any way diminish her concerns that she was not treated with respect, but the exchange I heard was on an equal basis. Whatever level it was at, it was on an equal basis.

There was no molestation with respect to her reference from 1780. Also there was no assault. There was no physical threat. The comment I did hear, and I saw what was happening, was to get her out of here and whatever. The member for Beaver River I thought just grabbed her arm and said: "Come on". Let us smarten up kind of thing is the impression I got from that comment.

The debate did heat up to a high exchange. I think both members have an extremely different point of view on the pension plan. I recommend both members recognize they have a severe difference of opinion and that with respect they basically agree to disagree.

For you, Mr. Speaker, to have to rule on this, I think you should hear from anyone else who wishes to contribute. I do know the member for Huron—Bruce was present as a witness. He can speak for himself as to what he saw.

In my humble opinion, with it being my responsibility to make sure that members do respect each other, I know they disagreed, but in my opinion there was no assault, no physical threat. There was no intent to injure. There was no intent for bodily harm. I really believe it was a war of words and that was it.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is not a matter of what was being debated. One hon. member as a result of the debate in the House was not satisfied. She had made her points wanted to carry on and did come to this spot. I was sitting here beside where the event took place between the two members.

There is a very important point to clarify. I agree fully with the facts as laid out by the hon. member. Her comment was to the Reform Party whip, not to the member as the member said. The member is incorrect. The member for Madawaska—Victoria had indicated to the Reform Party whip to get her out of here because I had got your attention, Mr. Speaker, to rise because of the sound level of the conversation. The member was clearly aware that it was not going anywhere and tried to leave the conversation. She very calmly tried to leave the conversation, at which point the member for Beaver River in all fairness and with due respect for the member, was not going to allow the matter to finish and wanted to impose her position even further on the member.

I was quite disturbed with the whole incident. Although I am not a lawyer my impression of what went on here was that the member for Beaver River had come to harass and impose herself upon the member who has made this complaint and was not prepared to let it go until she had won and imposed her view. I think that is the issue before us. There was a physical contact. There was an attempt to carry on something the member clearly wanted to just get out of.

• (1830)

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, if I may, hopefully in order to establish good harmony between members, I would ask if the House could not see the clock for ten minutes or so in order that we can end the conversation. I think it would be helpful for the House as a whole to sit an extra ten minutes to conclude the matter.

The Acting Speaker (Mr. Kilger): Colleagues, given the seriousness of the matter it certainly would be my intention to hear whatever additional information might ultimately assist the Chair in this matter, and I will not see the clock.

Mr. Boudria: Mr. Speaker, I would like to bring a few points to the attention of the Chair.

First, I was in the House some years ago when an incident of molestation was raised. It was a dispute between the member of Parliament for York South—Weston and the then member of Parliament from Winnipeg, the late Mr. Dan McKenzie. The Speaker will perhaps recall that incident, or the records of the House will remind him of it. Essentially, it was a debate that eventually ended in one member physically attempting to do something to another member, which is certainly not in conformity with our usual practices in the House.

There are, not only in Beauchesne but as well in Erskine May, a number of cases of what are referred to as the molestation of members while in the execution of their duties. Not only is there the case of 1780, which has been mentioned, but perhaps more importantly for the Speaker is the following. There is reference in Erskine May's 19th edition at page 149 to cases of punishment of members and others for molestation of members. In other words, these are cases of members against members within the precincts of the House. I could name a series of these cases, but I will name the Franklyn case, the Mompesson case, Holt, Gourlay, and so on, which refer to disputes between hon. members inside the Chamber itself.

The point I am making, without judging this case, is that the Speaker has in the past determined that this kind of an incident, depending on the severity of it, was deemed to be punishable by an action of the House. Therefore, it is, at least prima facie, something for the Speaker to consider as being important, and it falls under the general rubric, in Erskine May's 19th edition, not only of breaches of privileges but also under the rubric of contempt of Parliament. I bring this to your attention because of these two important points.

Finally, there is the whole issue of privilege generally, which is what enables us to function, not only as parliamentarians individually, but collectively. This definition of privilege is found on page 67 of Erskine May's 19th edition. In other words, all of us as parliamentarians have a fundamental right and a fundamental expectation that we will all be able to stand in the House and say whatever we feel we must say on behalf of those who sent us here, without fear, worry or concern that anything will stop us, threaten us, or otherwise make it such that we would be hampered in that capacity. That is a fundamental principle, which is necessary for all of us to be able to represent our fellow constituents in this highest court in the land, the Parliament of our country.

• (1835)

[*Translation*]

So, if we are to all enjoy this privilege and represent not only properly but without fear of reprisal all that may be said in this House, it goes without saying that the threat cannot be tolerated.

[*English*]

The best case to be made for that is surely the fact that no member of Parliament could ever be brought before a court of law for saying anything in the House. The reason that is there is to ensure that there is no libel chill, to ensure that no one can threaten to sue an MP for something said in the House. The reason that is there is to give any member of Parliament the total freedom from fear of any kind in order to represent constituents.

For the same reason, it is important, and I would argue essential, that we be able to speak not only in the House in a way that does not have in it libel chill, but free of any kind of molestation or retribution on the part of anyone within Parliament as well as coming to and leaving the Parliament. That has been established, as I indicated previously, for centuries.

I do not want to belabour that point. I thought it was an important consideration for the Chair to take into account. I hope it will assist the Speaker in deliberating on this important issue.

The Acting Speaker (Mr. Kilger): Colleagues, certainly the matter raised before the House is a serious matter.

I begin by acknowledging and thanking all those members who participated in the sharing of information and precedents. That will assist the Chair in arriving at a decision.

I will take this matter under advisement. Again, I thank the members for their information and their participation. We will deal with the matter in the most respectful and the most just fashion possible.

I would like now to return to the business of the House during private members' hour. I believe the hon. member for Edmonton Southwest was seeking the floor.

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CRIMINAL CODE

The House resumed consideration of the motion that Bill C–301, an act to amend the Criminal Code (violent crimes), be read the second time and referred to a committee.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, for the benefit of those viewers tuning in who thought they had somehow switched into the O.J. trial, we are talking about a private member's bill that would have the effect of saying that for serious violent crimes perpetrators would have three strikes and they are out.

Again for the benefit of those just viewing, it is interesting to see how confrontations brew and exist and happen in life. They can happen right here. They can happen everywhere in life, some more violent than others.

Here we have a situation of three strikes and you are out. In my view this started in California where people said one day: "We have to do something about this crime situation we have. Perpetrators do not seem to get punished for it. We have to somehow set the stage so that people know there is an ultimate sanction for doing wrong".

People who have spoken against the notion of three strikes say wait a minute, what is wrong with one strike and you are out? Why should we allow three strikes? Why should it not be one strike and you are out?

• (1840)

There is a good deal of validity to this because when I agreed to speak to this bill, I refreshed my memory on some of the articles I read about, three strikes and you are out.

One of the things I read was with the three strikes and you are out law in place, very often a perpetrator would have absolutely nothing to lose when making that third offence because the third strike was life.

While I am speaking in support of the bill and in support of my colleague, I do so in the full understanding there is a good deal of reservation among those who support the bill and who do not support the bill but for very different reasons.

The one thing people have in common when they are talking about this is the motivation to get us into a three strikes and you are out bill in the first place. There seems to be a sense of frustration with the criminal justice system in that there does not seem to be the kind of sanctions against wrongdoing which would prevent more wrongdoing.

It is almost as though society has become inured to the fact that there are people who are not good citizens, that we are prepared to accept antisocial behaviour and violent behaviour and say this is a fact of life and we have to accept it.

If we society take that view then the member is right, we will have to accept it because we will get a lot more of it. This bill speaks to that motivation in society at large saying do something about it.

An earlier speaker suggested perhaps incarceration was not the answer but then, what is? If incarceration does not make the perpetrator better, at least it protects citizens.

Our responsibility as legislators is to put the rights of the victims ahead of the rights of the criminals. The balance of doubt has to lie in favour of the innocent victim. The balance of doubt should no longer lie in favour of the perpetrator.

The Acting Speaker (Mr. Kilger): Before the member for Esquimalt—Juan de Fuca can seek the floor again, recognizing he has already spoken to his motion, and before I can consider right of reply I must first seek if anyone else in the House wishes to participate.

Under right of reply the member for Esquimalt—Juan de Fuca will be the last person to speak. No one else will be entitled to speak after his intervention. Is that agreed?

Some hon. members: Agreed.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank everybody who made an intervention on the bill, wittingly or unwittingly, particularly my friend from Edmonton Southwest who was kind enough to second the bill and speak eloquently on it.

I will address some of the concerns. We hate to admit it but there are people who have a total and utter disrespect for life and other people. They offend and reoffend again and again. The purpose of this three strikes and you are out bill, Bill C–301, was to protect innocent civilians from those individuals who by their actions have shown a complete disregard for society.

These individuals are not rehabilitatable because they have had their chance. The hon. member from the government made some very good points. He said we have in our courts right now sentences for offences in this bill. However, these sentences are not being applied by our courts. That is one of the primary purposes of the bill.

If the courts were enacting these sentences, if they were applying the available sentences to the individuals who were committing these violent acts against innocent civilians, we would not need this bill. We would not have needed in the United States and we would not need it here. The reality of life is we do need it because the courts are failing to enact those laws already there.

Whether we are speaking about these violent offences or the use of firearms in committing offences, they are not being applied. People commit firearms offences and they have those offences plea bargained away to get an expeditious conviction on another offence. That is not law, that is not justice, that is not protecting innocent civilians, which is why I proposed this.

I also put forth reasons the bill is good for Canada why it would be cost effective. I hope the justice minister, members on the committee and members of the House take it upon themselves to look at enacting a three strikes and you are out bill or a modification thereof for the safety of all Canadians.

The member from the Bloc Quebecois mentioned throwing the key away. I ask her and anybody else who disagrees with it to go into jails to speak with individuals who have committed many offences and to speak to the victims of violent offences. They will have a different opinion.

I move:

That this bill be referred to the Standing Committee on Justice and Legal Affairs and that accordingly the bill be withdrawn.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion by the hon. member for Esquimalt—Juan de Fuca. Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

It being 6.47 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.47 p.m.)